

## UNIVERSITY COMMITTEE ON FACULTY WELFARE ANNUAL REPORT 2001-2002

**TO THE ASSEMBLY OF THE ACADEMIC SENATE:** During the 2001-2002 academic year, the University Committee on Faculty Welfare (UCFW) met eight times and had one conference call and the UCFW Task Force on the Future of UC Health Plans met five times and held two conference calls. All meetings of the UCFW and its Task Force were held at the Office of the President, Oakland.

Under Senate Bylaw 175 the UCFW is charged with conferring with and advising the President and University Administration on matters concerning the economic welfare of the faculty—such as salaries, benefits, insurance, retirement, housing, and conditions of employment. The UCFW continues to enjoy a dynamic and productive relationship with Universitywide Administration, an indication of a healthy system of shared governance. Though UCFW's mission is to protect and augment faculty interests, the benefits derived from its work frequently extend to and are enjoyed by all constituencies within the University of California.

During the 2001-2002 academic year the UCFW considered and acted upon the following major issues:

### **UCFW INITIATIVES: BENEFITS**

***Child Care Policy and Programs.*** The UCFW began work on this issue in 1997, spearheaded by the efforts of Professor Judy Gruber. Because the state did not fund the Regents' request for one-time monies for new child care facilities, in 2001-02 President Atkinson created a program of matching UCOP funds for construction of new child care facilities. All nine campuses are actively moving forward on the child care front, not only constructing new facilities but expanding existing facilities to accommodate all of the children on the waiting list for child care services.

***Domestic Partner Benefits.*** UCFW continued to press for the extension of benefits to all domestic partners of UC employees. Since 1993 the UCFW and the Academic Council have recommended that health and retirement benefits be provided to same- and opposite-sex domestic partners. In November 1997 the Board of Regents approved the extension of University health benefits to same-sex domestic partners. In January 2000 the Academic Council unanimously endorsed UCFW's proposal *Ensuring Full Equality in Benefits for UC Employees with Domestic Partners*, which recommends extending retirement benefits to all domestic partners and health benefits to opposite-sex domestic partners. In May 2002 the Regents approved extending survivor retirement benefits to both same-sex and opposite-sex domestic partners of UC employees. Employees who register domestic partners will now have the opportunity to designate them as beneficiaries, entitling them to receive an actuarially adjusted payment at the time of the employee's death. UCFW members also supported extending survivor benefits to designated beneficiaries and regretted that this was not supported by the Academic Council (where it was rejected by a vote of 8-6-2) or by the Regents. UCFW suggested that this piece could return to the Academic Council for further consideration at a later date.

***Educational Fee Waiver for Dependents of UC Employees.*** UCFW continued its effort to achieve funding for its fee waiver proposal, unanimously adopted by the Academic Council in 1999. In May 2001 the Academic Council unanimously approved UCFW's recommendation that the funding of the fee waiver be taken "off the top" of the University's budget before OP allocates budget dollars to each campus. Though the Chancellors deferred implementation of the program because of the state's budgetary uncertainties, President Atkinson assured the UCFW that the proposed fee waiver program remains a high priority and would be revisited in 2001-02. In a letter to President Atkinson, forwarded by Council Chair Viswanathan, UCFW urged President Atkinson's continued interest and support for the Educational Fee Waiver program -- a relatively inexpensive initiative that will enhance faculty recruitment and retention and overall employee morale in this time of fiscal constraint. The 2002-03 UCFW will continue to search for ways to fund the Educational Fee Waiver program and to keep it as a high priority for the University.

***Faculty Housing Programs.*** Housing is one of the top concerns for faculty recruitment and retention, and UCFW continues to take an active role trying to redress the high housing costs facing most new faculty who are trying to buy homes close to campus. UCFW was consulted on a number of changes introduced to the Mortgage Origination Program, including an increase from 25 to 30 percent of the share of STIP funds designated for this program, a reduction in the minimum down payment from 10 to 5 percent, an increase from 30 to 40 years in the repayment period, and the institution of a graduated payment schedule which will shift debt burden toward later years of higher income.

***Faculty Salary Continuance and Disability Insurance.*** At its June 2002 meeting UCFW received an extensive presentation by Mercer Human Resource Consulting. The following issues will continue to be discussed by the 2002-03 UCFW: faculty salary continuance; partial disability definitions; definitions of occupation; premium rates, issues for younger employees if age-banded and service-adjusted premium rates are used to reflect disability pension offset; mandatory coverage of employee-paid disability; employer-provided disability benefit that provides 80 to 85 percent replacement of net pay; and uniform UC-systemwide disability benefit for Y and Z compensation. UCFW will continue to explore efforts to ensure that faculty can obtain disability coverage based on normal salary levels, even if the disability occurs while the faculty member is temporarily on leave or otherwise earning only a fraction of normal salary.

***Parking Policy Principles.*** On June 19, 2002, the Academic Council unanimously adopted a carefully-drafted set of proposed systemwide Parking Policy Principles that were approved by UCFW on June 12, 2002. UCFW had been actively developing these Principles for the past two years, incorporating the suggestions of the 2000-01 Academic Council, the 2001-02 Academic Council, as well as the comments of each campus's Faculty Welfare Committee. The Principles are aimed at slowing the rapid increases in permit fees seen at many campuses over the last several years by setting a limit to the diversion of parking fees for other purposes and by establishing a replacement policy for state-funded as well as non-state-funded construction projects that destroy spaces that have been paid for from parking revenues.

***Legal Liability and Legal Representation.*** UCFW continued to investigate issues of legal liability and legal representation, issues that might arise if a Senate member is sued or threatened with suit for acts related to University employment, or is the target of a whistleblower's accusation. UCFW is concerned that faculty members may be insufficiently protected by current policies that do not guarantee independent counsel for faculty members who are innocent of any wrongdoing, but whose self-interests may be in conflict with the self-interest of the University. UCFW is in the process of forming a Subcommittee on Legal Liability Issues. This UCFW subcommittee will strive for revised policies that will be more protective of the rights and due process of faculty members.

## **HEALTH CARE ISSUES**

***UCFW Task Force on the Future of UC Health Plans.*** The Task Force continued to work closely with Administration and to engage UCFW in consultation on strategies to deal with the increase in health care costs for 2001-02. These were handled through a combination of minor modifications in benefits and, in some plans, modest hikes in co-payments and premiums. The goal was to moderate cost increases and assure stability of coverage, particularly for low-income employees. Though the UC budget makes allowance for a 6.7 percent increase in benefit costs, the preliminary indications are that the cost of some health care plans could rise by as much as 25 percent or more—a substantial gap in funding that UC will have to bridge. UCFW and its Task Force will continue to work with Administration in finding ways to respond to these severe inflationary cost pressures in the health care sector, including looking at recommendations in the area of contribution strategy that could be implemented in the next year or two.

***Health Care Facilitator Program.*** In response to recommendations from the UCFW, UC Emeriti Associations, and UC Retiree Associations, a Health Care Facilitator pilot program was developed in 1999-00 by UCOP at Berkeley and Irvine using HR&B staff development internship funds. The HCF program has been extended to all campus and laboratory locations. Seven facilitators have now been hired at UCB, UCI, UCSB, UCSC, and more recently at UCR, UCD, and UCSF. Both UCSD and UCLA are in the recruitment process. LANL recently received approval to extend the program to their location. LBNL has submitted a proposal, currently under review.

***Medical Spending Accounts.*** At UCFW's urging Administration soon will implement medical spending accounts, allowing employees voluntarily to set aside pre-tax dollars that can be used to cover a variety of medical expenses that are not covered by the health insurance programs, e.g. co-pays, orthodontics or laser eye surgery.

## **RETIREMENT ISSUES**

***Health Sciences Faculty Retirement Benefit Enhancement.*** UCFW was consulted by Administration on the reevaluation and possible reform of retirement benefits for health science employees. Medical school faculty receive a substantial portion of their income from clinical and other sources that are not integrated with UCRP, and retiring medical school faculty face a much more substantial diminution of their customary income than do other faculty. To improve the competitiveness of retirement benefits of health science faculty, a

Task Force on Health Sciences Retirement Benefits was convened in August 2001 by Associate Vice President Judy Boyette and Assistant Vice President Ellen Switkes. The Task Force will be issuing a report by the end of the 2001-02 academic year. Once in final form, the report will be distributed for broad systemwide review.

***Phased Retirement (Phased Employment).*** UCFW has been working with Administration to develop a proposal for a new, voluntary phased-retirement program that would allow Senate members to enter into pre-retirement contracts governing the terms and extent of postretirement teaching and service. Mutual agreements between the University and the individual employee, who would have to be at least 60 years old, would be drawn up to cover a period of three to five years. The employee would retire and immediately begin to draw full retirement pay while continuing to work on a pro-rated basis for any percentage up to 50 percent time. At the end of the agreement, retirement benefits would be recalculated, taking into account the additional (pro-rated) service and any merits or range adjustments received in the interim. Administration is gathering detailed information on the strengths and weaknesses of existing programs at comparison institutions; full benefits implications also need to be worked out. Though a number of potential problems exist, specifically involving startup costs, laboratory and office space, steady progress has been made throughout the year on this proposal.

***Miscellaneous retirement issues.*** UCFW was consulted on a variety of issues, including the reallocation of retirement funds to an individual Capital Accumulation Provision (CAP) account, in lieu of salary increases; the academic service credit allocation program to grant service credit for some forms of previously non-qualifying academic employment; analysis of the impact on UCRP of changes in federal tax laws; and effect on UCRP annuitants of proposed changes in the Social Security offset to make it applicable to surviving spouses eligible as such for Social Security.

## **SALARY AND WAGE ISSUES**

***COLAs: Three-Month Delay from Start of Fiscal Year.*** UCFW considered the Davis divisional CFW's proposal to end the cost of living adjustment (COLA) offset. When COLAs are next funded, the COLA delay could be abolished simply by returning to the historic practice of having the effective date of a COLA coincide with the start of the fiscal year, July 1 (rather than being offset to October 1). Ending the COLA offset would prospectively spare new retirees the financial prejudice that has been caused to retirees over the past decade, who have had their base income for retirement purposes diminished by the delayed receipt of annual COLAs. The coming year, in which range adjustments are expected to be small to non-existent, could be an appropriate time for UC to commit to the normal July 1 date. This was discussed in a preliminary way with Larry Hershman. The COLA offset discussion will need to be continued in the future.

## **REVIEW OF OTHER UNIVERSITYWIDE POLICIES AND ISSUES**

***Copyright Issues.*** UCFW was consulted on new policies intended to protect the intellectual property of faculty members, including the design and content of courses, course notes, and class presentations.

***Sabbatical Policies.*** At UCFW's initiative, various reforms of the sabbatical leave policy (APM 740) are under consideration. The proposed revisions to in residence sabbatical leave will permit the substitution of substantial service activities for the teaching requirement. Proposed revisions to the standard sabbatical program will permit faculty on sabbatical leave to engage in outside professional activities to the same extent as faculty not on leave, and to permit faculty receiving less than full salary while on leave to "top up" their income to its normal level by receiving outside research funds. At the request of the Office of Academic Advancement, the proposed revisions are undergoing informal review by the Academic Vice Chancellors and DANR. Formal systemwide review of the proposed revisions to APM 740 is slated to begin in 2002-03.

***Two Proposed Draft Policies regarding University Policy Implementing The Amended California Whistleblower Protection Act.*** UCFW was consulted on the revision of UC policies in compliance with amendments to the California Whistleblower Protection Act, to protect the interests of Senate members who may secretly, even groundlessly, accused of misconduct. Extensive consultations with Administration have produced a far more balanced and even-handed document.

Respectfully submitted:

Renée Binder, Chair (SF)

Mark Traugott, Vice Chair (SC)

Katharine Hammond (B)

John B. Oakley (D)

Abel Klein (I)

Susan Ettner (LA)

John T. Trumble (R)

Douglas H. Bartlett (SD)

George A. Gregory (SF)

Bruce C. Straits (SB)

Roger Anderson (SC)

Julian Feldman, CUCEA Chair (I)

Lawrence Waldron, CUCEA Chair-Elect (B)

Daniel J. B. Mitchell, UCRS Board Member (LA)

Stephen Sugarman, UCRS Board Member (B)

Harold Simon, Co-Chair, UCFW Task Force on the Future of UC Health Plans (SD)

Lawrence Pitts, Co-Chair, UCFW Task Force on the Future of UC Health Plans (SF)