Faculty Welfare Committee

<table>
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<th>Total Meetings: 8</th>
<th>Meeting frequency: 3 / Qtr or as needed.</th>
<th>Average hours of committee work each week: 6</th>
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<th>Total items reviewed: 24 (Listed as &quot;Issues considered by the committee&quot;)</th>
<th>Total number of items carried over from the previous year: 0 However, topics were revisited.</th>
<th>Total items carried over to the coming academic year: 0 However, discussion of issues that remain unresolved will continue to be discussed.</th>
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Listing of bylaw changes proposed: None.

Listing of committee policies established or revised: None.

Issues considered by the committee:
- University Committee on Affirmative Action and Diversity Salary Equity Study†
- UC Wide Review: APM 668: Additional Compensation: Negotiated Salary Program†
- UC Wide Review: APM 670: Health Sciences Compensation Plan†
- UC Wide Review: APM 200: General†
- UC Wide Review: APM 205: Recall for Academic Appointees†
- Retention and recruitment of faculty†
- Campus Email Committee Report†
- PPM 200-45: Pre-purchasing System Review†
- PPM 230-10: Sponsored Programs: Publication Rights (formerly PPM 250-10)†
- Report from the Consortium of Women in Research†
- PPM 290-82: Boating Safety†
- UC Davis Athletics Strategic Audit: 2011†
- Proposal to Discontinue the Electronic Materials Engineering Major†
- UPAY 585 Patent Agreement
- 403(b) Roth IRA Option from UCO
- Proposal to Establish New Minors: Biomedical Engineering; Computational Biology and Informatics⁰
- UC Wide Review: Faculty Salaries Task Force Report†
- Off-Scale Task Force Report†
- Technical Revision Review: APM 35 and 190†
- Self-Supporting Degree Program Task Force Report⁰
- APM 10: Academic Freedom†
- APM 15: Faculty Code of Conduct†
Committee’s narrative:

The committee met eight times during the 2011-12 academic year. We typically scheduled our meetings during the week immediately after the University Committee on Academic Welfare (UCFW) met. The Committee Chair Stuart Hill served as the committee’s primary representative at the UCFW meetings, but Committee Member Saul Schaefer attended the Oakland meetings on two occasions when Hill had other commitments.

During the 2010-11 academic year Committee Chair Saul Schaefer sought to streamline how the Committee managed the large number of issues brought before it. The Committee continued those efforts during the current academic year, principally through the use of electronic communication. The Academic Senate Information System (ASIS) was used to notify Members and distribute relevant information about the Committee’s upcoming agenda with supporting documents. Committee members were encouraged to read and comment in advance on all issues under consideration, especially those that required a Committee response.

There were no items of unfinished business that carried over from 2010-11. Nevertheless, the University’s on-going budget crisis led us to consider familiar issues such as reforming the salary schedules for faculty, providing a sound fiscal foundation for the University’s pension plan and providing high quality health care while limiting how rapidly costs would rise. All told, faculty compensation, broadly considered, was the most common topic discussed. Protecting academic freedom, increasing faculty diversity, updating personnel practices, and addressing several disparate policy initiatives filled out most of this year’s agenda. Beyond these deliberations we initiated a call to offer a new savings option for faculty and staff and we proposed correcting the deficiencies in the procedure for acquiring faculty signatures to a revised patent agreement.

Faculty Compensation

We debated and responded to proposals for reforming faculty salaries from systemwide and the Davis campus. The UC Faculty Salaries Task Force sought to address a problem it describe as of enduring and growing significance: current faculty salaries are too low to be competitive with its comparison institutions and the published salary schedule for the University of California only applies to a diminishing minority of faculty members. The Task Force proposed that as faculty members earn new positions at higher step and rank their salaries should rise to at minimum their campus’ mean salary. As resources become available UC salaries should also be adjusted upward to the median systemwide salary of faculty members who share similar rank and step.

Some Committee members thought that this proposal would benefit Davis’ faculty members, but others opposed this plan because they believed it would lock in Davis’ relatively low mean level of pay. The policy also generated skepticism because of its lack of clarity about which faculty
members at the systemwide level would be used to calculate these new measures of minimal median salaries.

The Committee viewed the recommendations of the UC Davis Off-Scale Task Force far more favorably. The Task Force maintained that Davis best faculty members were not rewarded as well as faculty at other campuses. The proposed solution was to institute a system similar to that used at Berkeley, using half step increases where appropriate, that would allow meritorious faculty to be considered for advancement more quickly than currently occurs. Faculty Welfare endorsed this proposal and others developed by Davis’ Task Force should be adopted.

Efforts at reforming current compensation practices were not limited to these proposals. The Negotiated Salary Program (NSP - PPM 668) seeks to allow faculty who are judged to be in “good standing” and have been successful in acquiring research grants to negotiate with their Chairs and use resources from their grants to augment their salaries. A large majority of the Faculty Welfare Committee concluded that this plan would cause more problems than it solved. The NSP would only offer short term salary increases at the cost of departing from UC’s longstanding system of merits and promotions for rewarding faculty. This new parallel system of evaluation would give the Chairs considerable discretion – too much we believe – with few, if any, safeguards that the current system provides. The NSP suffered from the same lack of clarity about key definitions and procedures as the UC Faculty Salaries Task Force.

Faculty Welfare also provided feedback on the Health Sciences Compensation Plan (HSCP – PPM 670). This Plan seeks to regularize how faculty members in the health sciences are paid from their academic and clinical responsibilities. Our reaction to the latest iteration of HSCP focused on making procedural changes. HSCP anticipates that an advisory committee will serve as an important avenue of appeal if faculty members disagree with the decisions made by their Deans. The current proposal allows the Dean to appoint half of the members of the Advisory Committee. We argued that for the Advisory Committee to successfully perform its expected role it needed more independence and the Dean would have to select less than 50% of its members.

The final compensation issue raised this year concerned a study that examined the impact of gender in producing salary inequities across UC faculty. The results of the Salary Equity Study concluded that female faculty earn on average $4,000 less per year than male faculty. This study provides sufficient evidence to justify additional research. Some Committee members, however, questioned the accuracy of the Study’s results. They wondered whether a model that identifies only 2-3 possible causes can adequately explain individual differences in faculty salaries across diverse disciplines and institutions. Most Committee Members believed, furthermore, that Davis’ faculty members are often unaware that they can request a career equity study to determine if their work has been given the recognition that it deserves in terms of rank and step. We recommended that greater efforts should be made to inform Davis’ faculty about this option.

**Pension Reform**

The Faculty Welfare Committee was updated throughout the academic year about on-going efforts to place UC’s retirement plan (UCRP) on a sound financial footing. We learned that recent improvements in funding UC’s pension obligations from increased contributions by faculty and the administration still fall substantially short of addressing the full scope of the program’s long term requirements. We were pleased to learn that the Brown administration
acknowledged the responsibility of the State of California to contribute to UCRP and initially pledged $90 million only to have the legislature’s subsequent actions cast doubt on that $90 million pledge.

The current challenges to UCRP are not limited to underfunding alone. Representatives from UC medical centers have been pushing to institute a defined contribution pension option for some portion of its employees. Proponents have defended this new option by arguing that many of their technically specialized employees want a more portable pension package than UCRP provides. We have viewed this development with some concern. The strength of UCRP rests in large part on having all faculty, staff and the administration contribute to a common pool of resources to fund a single defined benefit plan. The prospect of peeling off even small numbers of employees who will no longer contribute to that common pool of resources is a troubling precedent, especially when a recent investigation has failed to discover any specific groups of employees who were dissatisfied with UCRP.

**Healthcare**

The greatest long term challenge to maintain affordable, high quality healthcare plans for faculty members is the rapid increase in health care costs. UC finds that it is difficult to cope with these escalating costs at the same time that the State of California diminishes its financial contributions to the university system. Faculty Welfare carefully monitored proposals to begin to control this rising cost curve in part by having UC’s medical centers create their own in-house health care option - UC Care – for UC employees. We do not yet know whether UC Care will emerge as a viable plan and whether that new option could compete on an equal footing with the other healthcare providers such as Health Net and Kaiser Permanente.

**Academic Freedom**

Recent court cases have cast doubt on faculty members’ expectations of academic freedom when they address questions of University policy. The Faculty Welfare Committee strongly approves the proposed changes in APM 10 and 15. Under these new guidelines faculty members would have the protection “to address any matter of institutional policy or action whether or not as a member of an agency of institutional governance.”

**Faculty Diversity**

The Committee was asked to comment on a report by the UC Faculty Diversity Working Group that proposed a number of different policy changes to increase faculty diversity. We found some of the report’s recommendations useful, but not all. Our assessment was guided by one simple assumption: decisions that most directly influence faculty diversity are primarily made by provosts, deans, and department chairs. We backed changes advocated in the report in selecting and educating those key actors that would further faculty diversity. Yet, we were not supportive of other proposals that were distant from these decision makers. We argued, for example, that the costs of having all faculty members evaluated in terms of their contribution to faculty diversity during every merit and promotion review would be too costly given the small chance that these procedural changes would increase the diversity of UC’s faculty.
**Personnel Practices**

Faculty members are expected to follow the University’s rules and regulations and are potentially subject to discipline if they fail to comply. This expectation was viewed by some in the administration as incomplete because it did not include “policies” with rules and regulations. APM 16 sought to correct this omission. Davis’ Faculty Welfare and UCFW did not see a clear justification for this change nor did we support it. We could not discern when University policies that were meant to govern faculty conduct would fail to be subsumed under its rules and regulations.

A proposed change in PPM 230-10 dealing with a research agency’s requirements to restrict the ability of faculty to publish research sponsored by that agency generated a similar response. Agencies typically seek to restrict the dissemination of research they fund because of possible threats to national security. To receive a grant when publication raises such risks a faculty member under current policy would be asked to obtain an exception to the University's policy protecting the publication rights of faculty from the faculty member's department chair, the dean of that individual's college or school, and the Vice Chancellor-Research. The new policy would require that all of these individuals must sign off on an exception and then go up the chain-of-command and obtain the Chancellor’s signature. Faculty Welfare did not support this policy change because we could not find a clear justification for adding this new time-consuming requirement to an already demanding process of review.

**Other Policy Changes**

Faculty Welfare offered comments on other policy changes: ensuring boating safety while conducting research, a strategic audit of the UC Davis athletics program, an analysis of a new pre-purchasing review system, proposals to establish new minors in Biomedical Engineering and Computational Biology and Informatics, and discontinuing the Electronic Materials Engineering major. We have not discussed these issues at greater length because they lie outside Faculty Welfare’s core concerns.

**Resolutions**

The Faculty Welfare Committee initiated two proposals in addition to responding to the requests for consultation described above. The first proposal developed in response to information Professor Francois Gygi from Computer Science provided the Committee about problems he discovered with the patent acknowledgement agreement faculty members were being asked to sign.

He pointed out that the electronic copy of the patent agreement that many faculty members received had an error that inadvertently changed the meaning of a potentially important sentence about the role of the University in this legally binding document. Unfortunately, once this mistake was discovered the problem was not publicized. The process of gathering signatures simply continued as if no error had occurred. Professor Gygi asked Faculty Welfare to investigate and determine if we thought that it was appropriate to bring the issue before the systemwide Faculty Welfare Committee.

The Committee reviewed the issue and voted in March. We concluded that making changes in a legally binding document without the knowledge of the signatories was unacceptable. A new
process should be undertaken to gather signatures when faculty members are presented with an accurate copy of the patent agreement. We followed current best practices and sought the support of the Executive Committee of the Davis Division of the Academic Senate before we brought our resolution to UC Faculty Welfare.

The Chair of Faculty Welfare, Stuart Hill, was scheduled to present the resolution concerning the patent agreement before the May 4th meeting of the Davis Executive Council. He learned in the days prior to that meeting that the Office of the President had transferred responsibility for seeking faculty signatures to the respective campuses and would not entertain reopening the issue. In light of this new information the Executive Council supported a comparatively weak resolution to push for instituting safeguards with vendors who would be responsible for gathering signatures in the future. This resolution will be brought before UCFW in the fall.

The second resolution grew out of a suggestion from Committee Member Joel Hass that UC should add a savings plan, a 403(b) Roth, to the 403(b) plan UC employees can already use. The existing 403(b) plan has the tax advantage that UC employees can invest their pre-tax income in a 403(b) account. They will pay federal income tax when they withdraw funds from this account, typically at retirement when many individuals will see their total compensation and the corresponding tax rate decline. The problem with this savings plan is that its tax advantages only accrue to employees who expect that their future income at retirement will diminish compared with their most productive years.

A 403(b) Roth plan would provide tax relief for employees who anticipate that their future earnings will increase. The Roth option requires that subscribers use taxed dollars to build their investment and then they pay no taxes on those funds when they are withdrawn. If an employee expects that their future earnings will grow it makes financial sense to set aside income at a low tax rate today compared with the higher tax bracket they will face in their retirement years. The 403(b) Roth should be attractive to many employees at UC that look forward to a substantial defined benefit pension plan, social security, and personal savings.

Davis’ Faculty Welfare voted to add a 403(b) Roth to UC’s savings plans and won the support of Davis’ Executive Council and preliminary backing to investigate this option from UCFW.

Respectfully submitted

Stuart Hill, Chair
Michael Dahmus
Joel Hass
Alan Jackman
Bernard Levy
Lisa Miller
Saul Schaefer
Kathleen Ward, Academic Federation Representative
Bryan Rodman, Resource Analyst