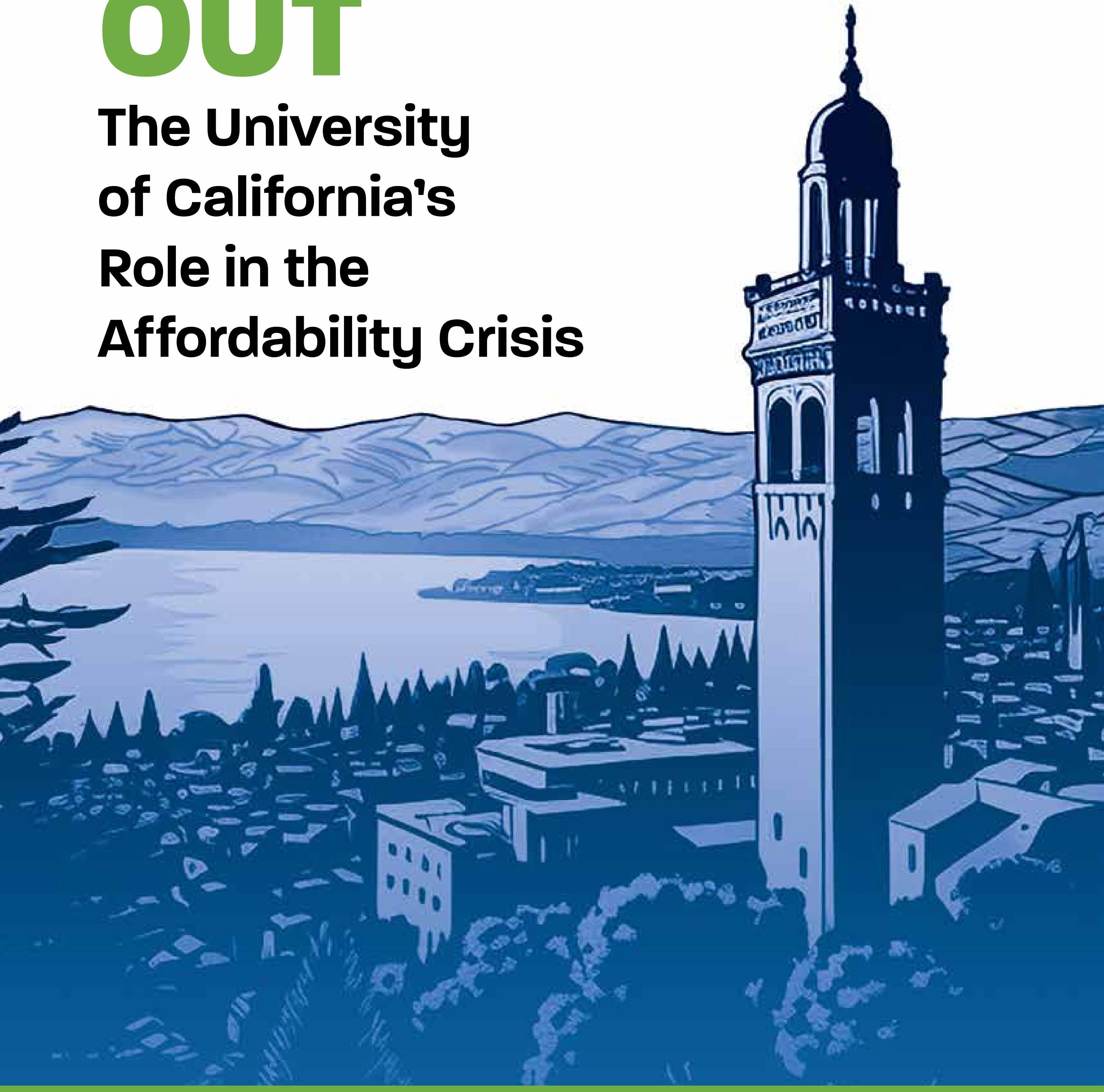
PRICED OUT

The University of California's Role in the Affordability Crisis



Report Written By

Owen Li, Kate Spear, Geoff Goodman, and Claudia Preparata

Acknowledgements

We would like to thank the following individuals for reviewing drafts and for providing helpful guidance and revisions to this report: Prentiss Dantzler, Assistant Professor of Sociology, University of Toronto; Peter Dreier, Professor of Politics and Urban & Environmental Policy, Occidental College; Adam Goldstein, Assistant Professor of Sociology and Public Affairs, Princeton University.

The report was published in June 2023.

Executive Summary

Following the onset of COVID-19, millions of working families across the U.S.—disproportionately low-wage workers of color—are struggling to afford housing and other basic necessities. Nowhere is the affordability crisis more acute than in California. The University of California (UC) is the state's third-largest employer and single largest landlord. This report examines UC's role in California's affordability crisis. To understand how skyrocketing costs are affecting the most vulnerable people at UC, it includes a case study of unrepresented student workers and workers represented by the University's largest employee union, including those frontline essential workers serving food, cleaning buildings, and caring for patients. It also evaluates potential solutions, such as a $25 minimum wage at the University mirroring recent legislation for other essential workers.[i]

Fueled by rising housing costs, accelerated price increases since the COVID-19 pandemic disproportionately impact low-income communities and people of color

- Prior to the COVID-19 pandemic, U.S. inflation hovered at around two percent per year. Subsequently, inflation dipped to near zero before increasing by 9.8 percent in June 2022—the largest 12-month increase in 40 years.
- Since the beginning of the pandemic, inflation in California has increased by 15 percent—almost double the previous 32-month period. It has increased by as much as 18 percent in some of California's traditionally lower-cost inland regions.
- Black and Latino/a households and low-income families are the most impacted by high rates of inflation due to differences in spending patterns. These disparities have widened in the current inflationary environment.
- The cost of housing is the biggest driver of inflation, accounting for one-third of the Consumer Price Index (CPI) and outpacing the inflation rate for other goods and services.
- California faces the largest housing shortage in the nation. Rapidly accelerating rents have a disparate impact on low-income households and households of color—particularly Black and Latino/a households who are more likely to rent than white households.

UC's most diverse workforce segments are also the lowest-paid across the University of California system

- Nearly 62,000 UC workers, or 24 percent of the University's total workforce, earn less than $25 per hour. Frontline service and patient care workers and unrepresented student workers account for three-quarters of these employees—the equivalent of about 18,200 full-time or 48,000 individual workers in total. Both of these workforce segments are about 80 percent people of color.
- Thirty percent of all service and patient care workers—over 8,100 frontline workers—earn less than $25 per hour. Nearly two-thirds of them are Latino/a.
- Unrepresented student workers account for 39,000 workers paid less than $25 hour. They are largely undergraduates concentrated in housing and dining services and paid wages at or just above the state or local minimum. They are one-third Latino/a and more likely to be Latino/a than the UC student body as a whole.
- In contrast to these lower-paid workers, nearly 60 percent of UC managers and senior executives are white and just 12 percent are Latino/a.

---

[i] One of the first University of California employees killed by COVID-19 was a frontline service worker—a Shuttle Bus Driver at UC Santa Cruz who died on April 14, 2020.

UC's growth and investment policies contribute to housing shortages and rising housing costs

- The University currently controls housing for close to 150,000 students, faculty and staff around its 10 campuses and five medical centers, making it the largest landlord in California.
- For decades, UC housing construction has not kept pace with student enrollment growth nor with the growth of faculty and staff. UC currently houses only 38 percent of its student population, resulting in a shortage of 185,000 student beds alone, and this deficit continues to grow.
- The lack of adequate housing for UC students and staff contributes to housing shortages and rising rental rates both on- and off-campus. Student housing costs are the highest contributor to student debt.
- UC's $11.4 billion real estate portfolio invests in market rate housing and private equity firms—such as Blackstone, Inc.—which rely on rent increases, evictions, and other extractive investment models to deliver returns for shareholders.

UC's lowest-paid workers cannot afford housing near campuses as wages have not kept up with rising costs

- UC campuses and medical centers are located in cities with some of the highest housing costs in the state. The average cost of living in counties with a UC campus is 47 percent higher than the national average.
- Over the last two years, average rents in counties with UC campuses have grown by as much as 31 percent.
- Since February 2021, California CPI has increased by 12 percent. Over this period, real wages (purchasing power) for frontline service and patient care workers actually declined five percent.
- Real wages for unrepresented student workers also declined at every undergraduate campus: three percent at UC Los Angeles; four percent at UC Davis, UC Santa Cruz, UC Merced, UC Irvine, UC Riverside, UC Santa Barbara, and UC San Diego; and five percent at UC Berkeley.

- In 2017, 50 percent of frontline service and patient care workers could not afford a one-bedroom rental close to work, and six percent were "severely cost burdened." Today, those numbers have grown to 70 percent and 15 percent, respectively. Service workers are especially cost-burdened—95 percent cannot afford a one-bedroom rental close to work.[ii]

[ii] Housing "cost-burdened" means paying more than 30 percent of gross income on housing costs based on the fair market rent for the local market. "Severely cost-burdened" means paying more than 50 percent.

Raising UC's minimum wage and enacting wage increases could help address worker shortages and bring housing affordability within reach for thousands of UC workers

- UC's staff vacancy rate has more than tripled since the start of the COVID-19 pandemic as housing and other costs rose faster than wages..
- Frontline service and patient care workers would need a median pay increase of $10.45 per hour in order to afford a one-bedroom rental close to work.
- If UC enacted a $25 minimum wage along with a five percent wage increase for frontline service and patient care workers, housing near work would become affordable for thousands. The proportion who would need to spend over half of their income on housing near their work would fall back to 2017 levels.
- If UC enacted a $33.84 minimum wage to match the statewide housing wage along with a five percent inflation adjustment, no UC service and patient care workers would need to spend over half their income to live near their work.
- A $25 minimum would equate to an additional $600 per month in income for a typical undergraduate student working an average of 15 hours per week. A student could work six fewer hours each week and still earn enough to pay the "self-help" contribution required in a typical financial aid package.

A $25 per hour minimum wage would have a minimal impact on UC's budget

- A $25 per hour minimum wage for all UC workers along with a five percent inflation adjustment for frontline service and patient care workers would add just 0.7 percent to UC's $47 billion operating budget.
- This would raise incomes for nearly all unrepresented student workers and frontline service and patient care providers—about 70,000 workers constituting 27 percent of UC's workforce.
- Alternatively, raising the minimum wage for all UC workers to the statewide housing wage would add 2.5 percent to UC's annual operating budget.
- UC has already made market-based adjustments for higher-paid workers. Average pay for UC chancellors increased 34 percent since 2021 to the equivalent of $320 per hour, while pay for senior managers increased 12 percent over a similar time period to $226 per hour.

1. Introduction

As both the biggest landlord and the third-largest employer statewide, the University of California's policies are inextricably linked to both sides of the affordability crisis. Its campuses and medical centers are located in areas with some of the state's highest levels of inflation and highest costs of living. While the University's policies as a developer, real estate investor, and driver of population growth impact the housing market—the largest determinant of overall inflation—UC's employment practices also shape the labor market. This report explores the extent to which wages for some of UC's most vulnerable workers have fallen behind rising costs and other employers in their markets. It also explores the extent to which these workers find housing and other basic needs beyond their reach, which can lead to poor housing conditions, long commutes, high debt, food insecurity, and homelessness. Finally, it assesses how specific policy prescriptions at UC could begin to correct this wage/housing imbalance.

For this report, we conducted an extensive analysis of University payroll data in comparison to inflation and housing data for corresponding UC locations, including demographic analysis. We focused on two of the lowest-paid workforce segments—unrepresented student workers, who are predominantly undergraduates, and service and patient care workers, who are represented by AFSCME Local 3299. Notably, this latter group played a frontline role—both on UC campuses and in UC medical facilities, during the COVID-19 pandemic. Together, these workers account for approximately 70,000 individuals or 37,000 full-time equivalents.[iii]

> **2020 is the year of the essential worker—those in often thankless health care, agriculture and service industry jobs who have kept our world running despite the coronavirus pandemic. These are the people keeping supplies stocked on shelves, delivering endless packages and wearing PPE to treat the sick or prevent the spread of sickness. This year, we call them 'heroes.'**
>
> —University of California Newsroom, September 3, 2020[1]

Given their diversity in job titles, demographics, and locations, these workers are a representative case study in how the affordability crisis is experienced and the impact of any potential solutions. We interviewed workers in a variety of job titles to get a deeper understanding of economic forces that may not be apparent in the data. For context, we examined both UC housing and real estate investment policies as well as current wage policies and their implementation. We also looked at data related to broader inflationary pressures, especially with regard to housing, for regions with the largest UC footprint. Finally, to identify potential reforms to address affordability issues, we reviewed proposed and recently implemented policies and their impacts.

[iii] The difference between headcount and full-time equivalent numbers is largely the result of students who work part-time.

2. Economic Forces and Policies Fueling the Affordability Crisis

Inflationary Impacts on Vulnerable Communities

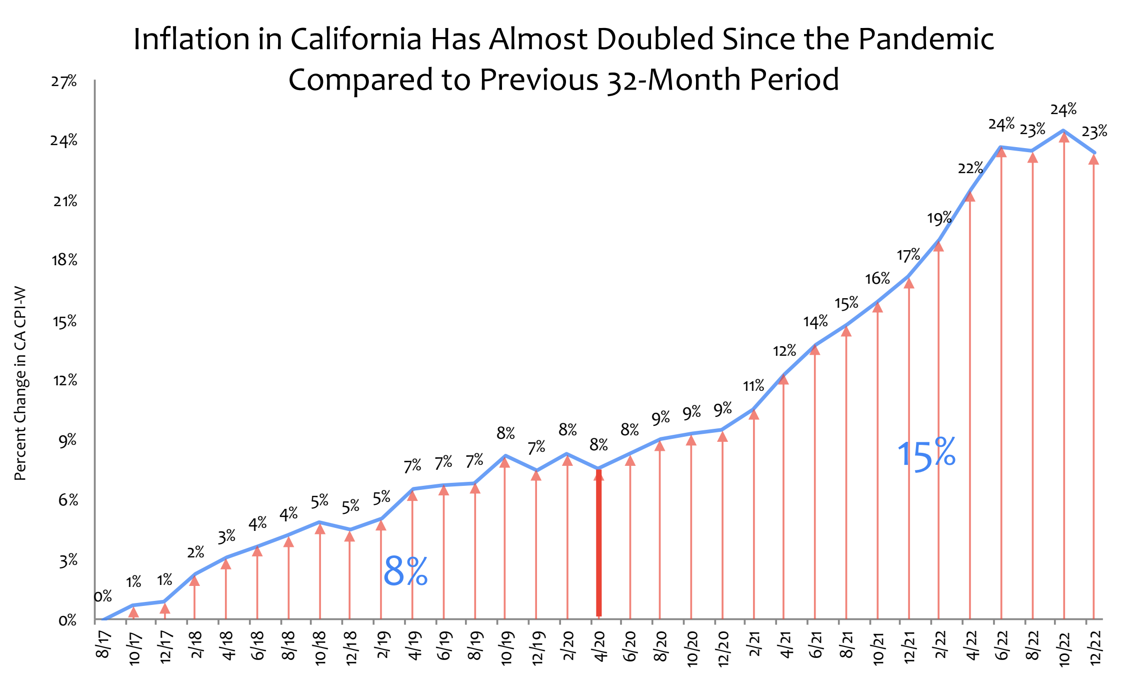
Inflation is commonly measured by the Consumer Price Index (CPI), which tracks changes in the prices paid by consumers over time for a market basket of consumer goods and services, such as food, housing, clothes, transportation, medical care, recreation, and education. Since higher prices means the same amount of money doesn't go as far, inflation lowers an individual's purchasing power.

Prior to the COVID-19 pandemic, average inflation in the U.S. hovered around two percent every year. When the COVID-19 pandemic began to transform the economy in March 2020, inflation in the U.S. fell close to zero, before recovering to pre-pandemic levels for the remainder of 2020.[2] In early 2021, however, inflation began to rapidly increase. By June 2022, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) had risen 9.8 percent in 12 months, the largest increase in 40 years.[3]

In California, the cost of goods and services has increased by nearly 15 percent from the beginning of the pandemic through December 2022.[iv] This increase is almost double the eight percent increase of the preceding period.[4]

Inflationary impacts in California differ by region. While many UC campuses and medical centers are located in some of the highest-cost areas of the state, those located in traditionally less expensive areas have experienced some of the highest regional inflation. For instance, in the Riverside/San Bernardino/Ontario market—a region that has had a lower cost of living and where wages are among the lowest of all UC locations—inflation has increased by 18 percent since

Figure 1: California Growth in CPI-W Pre- and Post-Pandemic



Source: State of California, Department of Industrial Relations based on U.S. Department of Labor, Bureau of Labor Statistics, CA CPI-W

[iv] The beginning of the pandemic is tracked starting April 2020 since California only measures CPI for even-numbered months.

the beginning of the COVID-19 lockdowns, compared to 15 percent for California overall.[5]

Socio-economic and racial groups also experience price increases differently. Inflation has a greater impact on lower-income earners since they spend a larger share of their pay on essentials like food, housing, and gas.[6] Lower-income jobs are also far less likely to have transitioned to remote work, further exposing these workers to the effects of higher day-to-day costs.[7]

Researchers at the Federal Reserve Bank of New York found that Black and Latino/a spending patterns are disproportionately affected by price increases, and that these disparities have widened in the current inflationary environment. For instance, Black consumers spend more of their income on housing and transportation, and less on food and entertainment compared to white consumers. Furthermore, "in addition to consuming different bundles of goods, different demographics likely face different prices for the same goods, with lower-income Americans and Black Americans facing higher price growth."[8]

Figure 2: Inflation by California Region

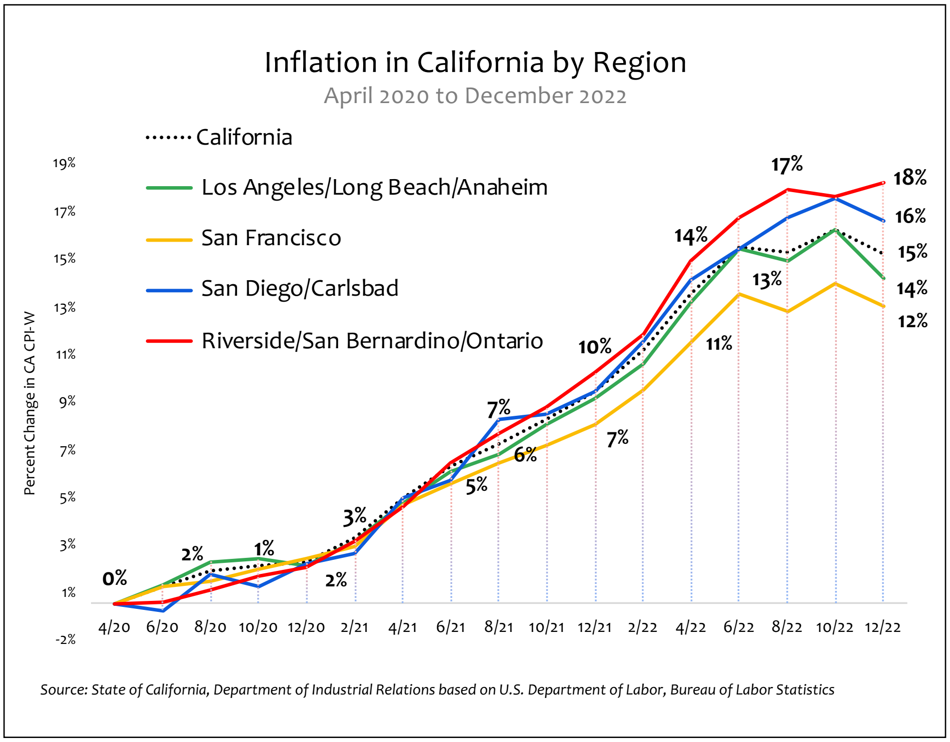
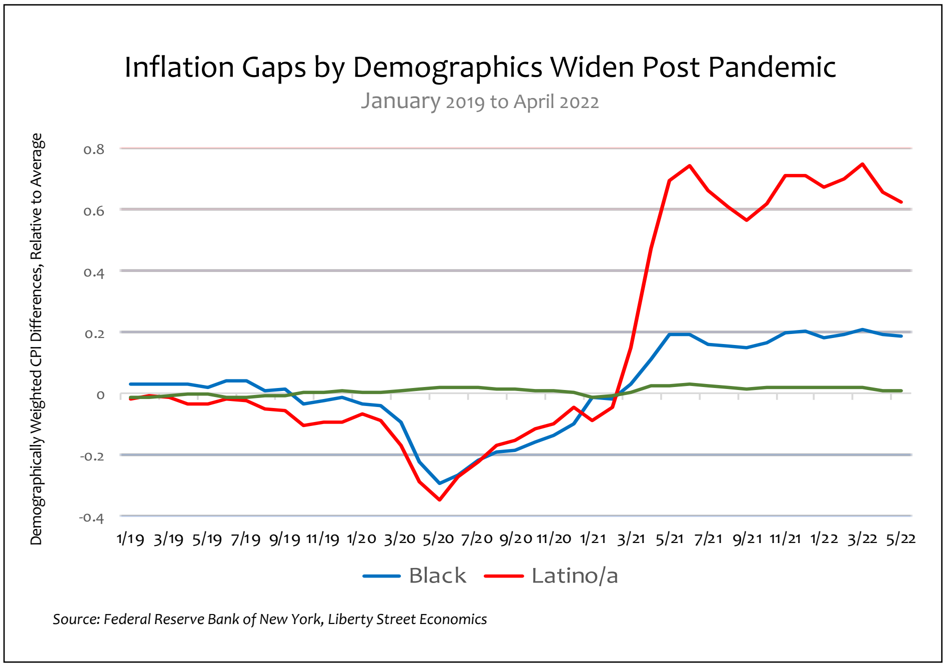


Figure 3: Inflation Gaps by Demographics Relative to Average Inflation



The Housing Crisis Is Accelerating

Housing costs are the biggest driver of inflation.[9] Across the country, housing costs have increased dramatically since 2017, outpacing the inflation rate for other goods and services during the same period.[10] With the largest housing shortage in the nation, problems related to housing affordability and insecurity are especially acute in California.[11] Since the beginning of the pandemic, the state's unhoused population has ballooned by 22,500 to a total of 173,800.[12]

California is particularly expensive for renters who are more likely to be "cost-burdened" than homeowners or renters elsewhere in the country. The U.S. Department of Housing and Urban Development (HUD) considers households "cost-burdened" if they pay more than 30 percent of household income on rent.[13] The most recent census data reveals that over 50 percent of Californians living in occupied rental units are cost-burdened. In comparison, just over 30 percent of California homeowners are cost-burdened.[14] Since renters can be locked into leases with higher prices after inflation begins to ease, they also experience inflationary effects longer.[15]

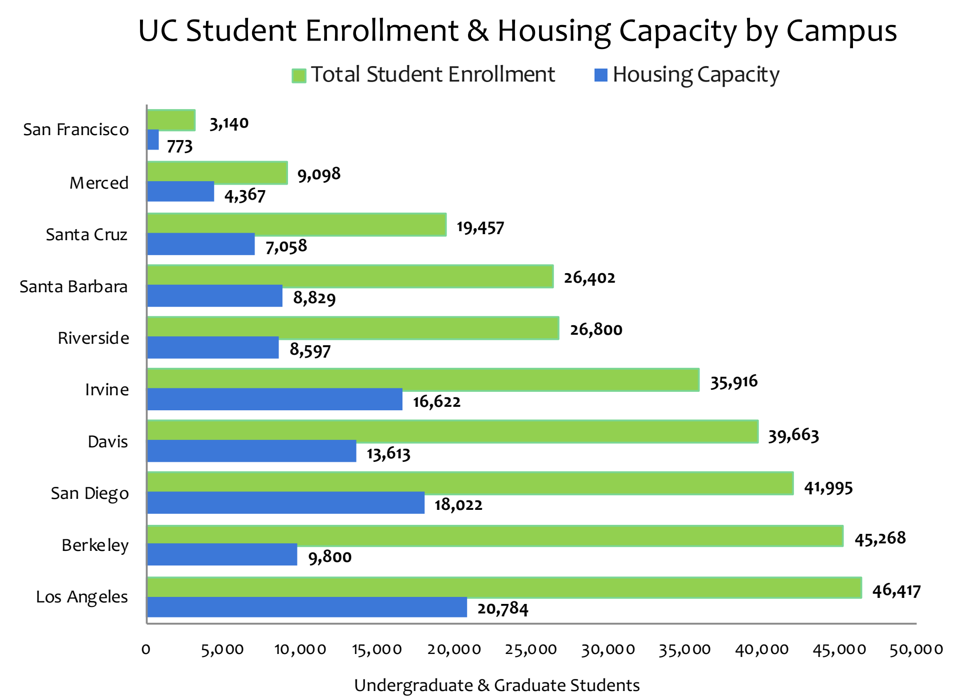
Rapidly accelerating rents also have a disparate impact on low-income households and households of color. In 2021, nearly 53 percent of households in the lowest income quartile rented their homes compared to only 14 percent of those in the top income quartile.[16] According to the Pew Research Center, Black and Latino/a households were more likely to rent their homes than white households.[17] When housing cost increases outpace household income growth, low-income households face even greater difficulty affording other essential goods and services, such as food, childcare, and transportation.

UC Policies Shaping the Housing Crisis

UC develops and operates student, faculty, and staff housing on and around its 10 campuses, five medical centers, and satellite locations. It is the largest landlord in the state, controlling housing for close to 150,000 people, and holds an $11.4 billion real estate portfolio.[18] UCLA Associate Professor Hannah Appel writes, "Far from being at the mercy of the housing market, the UC is by any measure a real estate market maker."[19] As this section will explore, the University's housing and investment policies have a significant impact on housing affordability across the state.

For decades, UC housing construction has not kept pace with student enrollment growth nor with the ensuing growth of faculty and staff, contributing to housing shortages and rising rental rates on- and off-campus.

Figure 4: Fall 2022 Total Enrollment and Housing Capacity by Campus



Source: The Regents of the University of California Committee Materials

At the start of the 2022 fall semester, UC housed only 38 percent of its student population. The University acknowledges that "[h]ousing shortages and the rising cost of living have made housing a challenge for students to navigate."[20] Currently, there is a systemwide deficit of over 185,000 student beds, and this figure will continue to grow. While the University has plans to fund the construction of nearly 22,000 beds by 2028, it also plans to increase its undergraduate and graduate student enrollment by at least 29,000 full-time students by 2030.[21] UC medical centers have also expanded rapidly, growing their workforce by 14,900 employees over 10 years—an increase of 49 percent.[22] By increasing student and workforce population demand for housing faster than it grows its housing supply, UC's continued expansion puts upward pressure on housing prices.

As an illustration of this problem, while UC Berkeley can only house 21 percent of its student population, its most recent 15-year development plan commits to building only two housing projects over the course of 15 years.[23] The development plan projects that enrollment expansion and campus development will add at least 2,291 new unaccommodated residents to the City of Berkeley. And while UC Berkeley officials maintain that all campus housing is offered at below market rates, projected rental rates for academic year 2022-2023 averaged $1,891 for a single bedroom in an apartment unit, just slightly less than HUD's estimated Fair Market Rent (FMR) for a one-bedroom apartment in the area.[v][24]

The University already owns significant developable land but often does not prioritize affordable housing developments.[25] For example, although UC San Diego projects being able to provide housing for just 48 percent of its undergraduate population by Fall 2025, it is converting 14 acres of undeveloped land in partnership with a private developer into an expanded "Science Research Park" that would then be leased almost entirely to third-party business tenants.[26] This venture is modeled after public-private partnerships that helped establish Silicon Valley, which resulted in sharp increases in housing costs and displacement across the region.[27]

UC real estate investment and housing development strategies can also contribute to higher housing costs. During the last eight years, the office that oversees the University's investment holdings bought commercial and residential real estate properties around UC campuses worth $1.2 billion.[28] These acquisitions include an apartment complex and apartment tower that charge above-market rental rates.[vi][29] Recently, UC's Chief Investment Officer (CIO) proposed expanding this strategy by committing substantial capital to the acquisition of property assets located on or near UC campuses.[30]

UC has also grown its real estate portfolio through further investments in private equity firms that utilize extractive and speculative investment models.[vii] In January 2023, UC invested $4.5 billion into the Blackstone Real Estate Income Trust (BREIT). Blackstone has become one of the country's largest residential and commercial landlords, and the largest owner of student housing.[31] In 2019, the United Nations' housing special rapporteur described Blackstone's "dominant role" in fueling a global housing crisis as having "devastating consequences."[32] The company has been criticized for conversion of an unprecedented number of properties into rental units, undue rent increases, and high rates of eviction and displacement.[33] Blackstone executives have told investors that evictions will help contribute to Blackstone's future "cash-flow growth" and the company predicts high single-digit growth for rents in both its affordable housing and student housing holdings.[34]

---

[v] HUD releases Fair Market Rents (FMR) for HUD-assigned metropolitan areas on an annual basis. Fair Market Rents are typically "estimates of 40th percentile gross rents for standard quality units." The HUD 2023 Fair Market Rent for a one-bedroom in the Oakland-Fremont, CA HUD Metro FMR Area is $1,969.

[vi] Rental listings for The Hilltop, located at 363 Western Drive in Santa Cruz, begin at $3,545 per month. Rental listings for The Durant, located at 2631 Durant Avenue in Berkeley, begin at $2,213 per month for a studio apartment. For comparison, the HUD Fair Market Rents for a one-bedroom apartment in Santa Cruz and Berkeley are $2,502 and $1,969 per month, respectively.

[vii] As of June 30, 2022, the University's real estate holdings included $5.2 billion from its UC Retirement Plan fund and $1.1 billion from its General Endowment Pool. Since then, the University's real estate holdings have increased to $11.4 billion.

3. UC's Most Diverse Workforce Segments are the Lowest Paid and Most Susceptible to Food and Housing Insecurity

Wages and Demographics for Unrepresented Student Workers and Frontline Service and Patient Care Providers

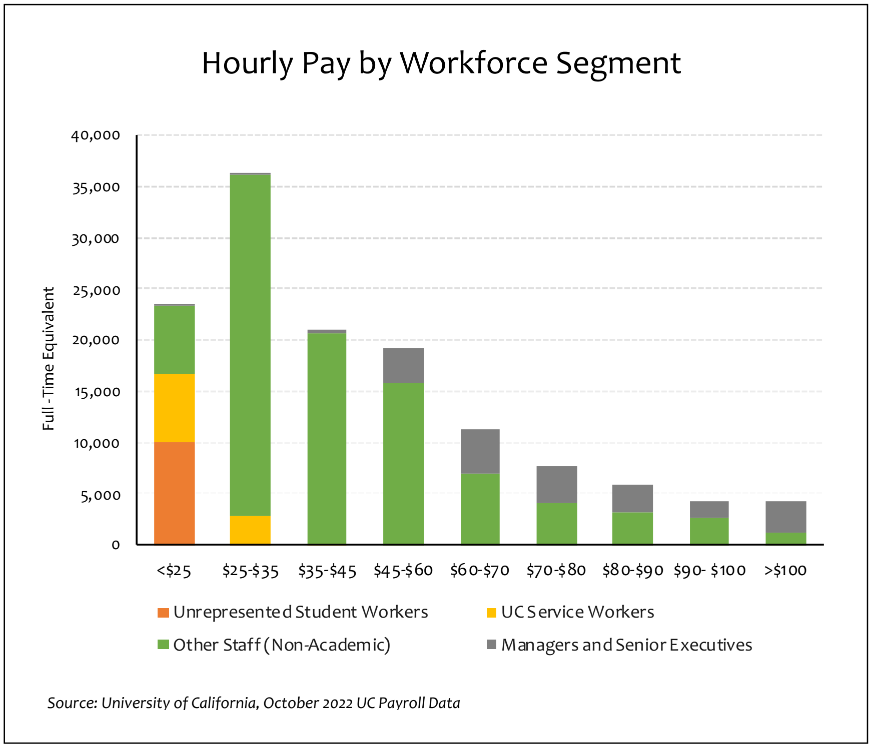
According to University of California payroll data, nearly 62,000 UC workers, or 24 percent of its total workforce, earn less than $25 per hour. Roughly three-quarters of these workers—18,200 full-time equivalents or 48,000 workers in total — are frontline service and patient care workers and unrepresented student workers.[35] The remainder are largely a mix of union-represented clerical and technician titles.

Among non-academic employees paid less than $25 per hour, frontline service and patient care workers constitute 69 percent of union-represented workers while unrepresented students make up 86 percent of non-union workers.36 Service workers and students, in particular, are concentrated below the $25 per hour threshold.

Nearly all 39,000 unrepresented student workers are paid less than $25 per hour. These workers perform much of the same work as other low-wage UC workers, predominantly campus service jobs, but with fewer benefits and even lower pay.[viii 37]

UC's lowest paid workforce segments are its most demographically diverse. For our analysis, we examined UC workers represented by AFSCME Local 3299, who perform frontline service and patient care work such as custodians, food service workers,

Figure 5: Hourly Pay for University of California Non-Academic Workforce Segments



[viii] Frontline service and patient care jobs are also outsourced. UC had over 500 contracts with outsourcing companies in 2022 valued at $360 million—a 44 percent increase from the previous year. In the last three years, union-initiated complaints over underpayment of wages to outsourced workers have been filed nearly four hundred times.

security guards, groundskeepers, building maintenance workers, nurse's aides, hospital secretaries, and workers who clean patient rooms. These workers were essential to University operations during the COVID-19 pandemic, including campus workers who volunteered to take assignments at UC medical centers in response to higher patient volumes. More than 80 percent of them are people of color and 60 percent are women.

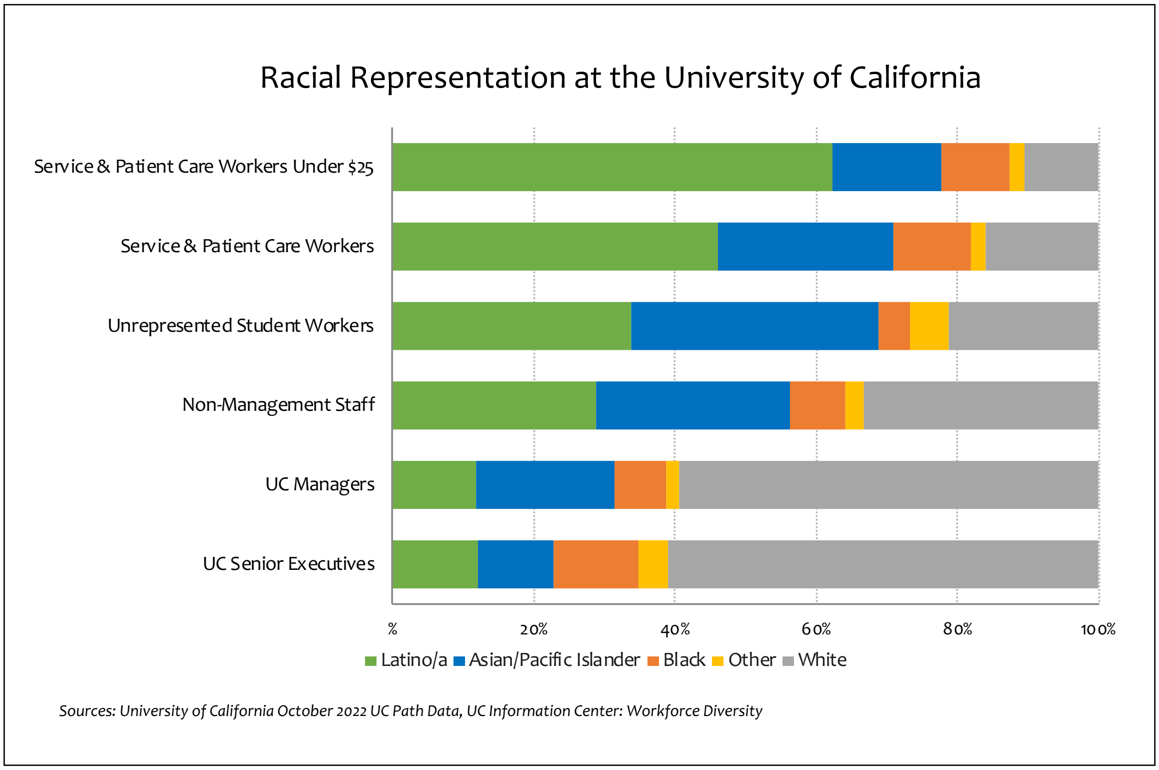
UC's unrepresented student workers are predominantly undergraduate students employed by the University in frontline service jobs concentrated in housing and dining, but paid less than union-represented workers performing the same or similar jobs.[38] These students work to support themselves or to help pay the "self-help" requirement in their financial aid package.[ix] [39] They generally work part-time, their appointments are temporary, and they may be released from employment without cause at any time.

According to UC workforce diversity data, roughly one-third of these student workers are Latino/a, one-third Asian/Asian-American, and one-fifth are white. Unrepresented student workers are much more likely to be Latino/a, compared to the UC student body as a whole.[x] In contrast, nearly 60 percent of UC managers and senior executives are white, less than 20 percent are Asian or Asian-American, and just 12 percent are Latino/a.[40]

Service and Patient Care Workers Earning the Lowest Pay Are Predominantly People of Color

Thirty percent of all frontline service and patient care workers earn less than $25 per hour, representing the equivalent of over 8,100 full-time workers. Over 90 percent are people of color: nearly two-thirds are Latino/a, 15 percent are Asian/Pacific Islander, and 10 percent are Black.[41] This reflects the demographics

Figure 6: Racial Representation at the University of California[42]



[ix] "Self-help" refers to the student contribution required in their financial aid package, on average $9,900 systemwide per academic year.

[x] While 22 percent of students enrolled at UC are classified as Hispanic/Latino/a, they make up 32 percent of unrepresented student workers.

of this workforce segment as a whole, but also the concentration of certain groups—especially Latino/a workers—in positions with lower pay. Latino/a workers are more than twice as likely to earn less than $25 per hour compared to other workers in this workforce segment.[43]

Most Unrepresented Student Workers are Paid Close to the Minimum Wage

Wages for the majority of unrepresented student workers are at or just above the state or local minimum wage, with a median pay of $16 per hour.[44] The University hires many of these students to perform the same services as career workers.[45] In addition to low pay, since students typically work less than 20 hours per week, they tend not to be eligible for health insurance, sick leave or holiday pay.[46]

UC administrators acknowledge the University's dependence on student workers to work in dining halls drive shuttles, provide security, or assist with tasks such as COVID-19 testing—services customarily performed by UC's career service workers whose starting wages can be over $3 dollars more per hour. An Associate Vice Chancellor at UC Davis discussing campus services commented, "We're so dependent on student employees [to ensure] students using these services are looked after."[47]

Despite UC's reliance on unrepresented student workers, they are not included in university-wide general wage increases, such as across-the-board raises provided to unrepresented staff. Similarly, when the University implemented its Fair Wage/ Fair Work (FW/FW) wage policy in 2015, phasing in the UC minimum wage to $15 per hour by 2017, unrepresented student workers were one of the categorical exceptions to the policy and their minimum wage remained at $10.50 per hour. At the time the FW/FW policy was announced, 90 percent of unrepresented student workers were paid less than $15 per hour and 51 percent earned less than $12 per hour.[48] The FW/FW minimum of $15 per hour set in 2017 has never

been updated and now falls below the state minimum wage. It would be $18.37 per hour today if it had kept pace with inflation.[49] Low wages relative to UC employees performing the same or similar work has been a growing source of student activism and unrest in recent years.[50]

4. The Impact of Inflation on Workers and Students

Case Study 1: Service and Patient Care Workers

In March of 2020, over 30,000 frontline service and patient care workers represented by AFSCME Local 3299 ratified new contracts. After three years of contract negotiations, they received a six percent across-the-board wage increase in the first year of their contracts, with subsequent annual three percent across-the-board wage increases during the remaining years. The initial wage increase made up for a lack of pay increases during the protracted bargaining period.[51] The subsequent three percent annual wage increases would have kept real wages (wages adjusted for inflation) ahead of rising costs had two percent annual inflation continued. However, prices in California have increased by 12 percent in less than two years. As a result, despite nominal wage growth, real wages have actually shrunk by five percent.[52]

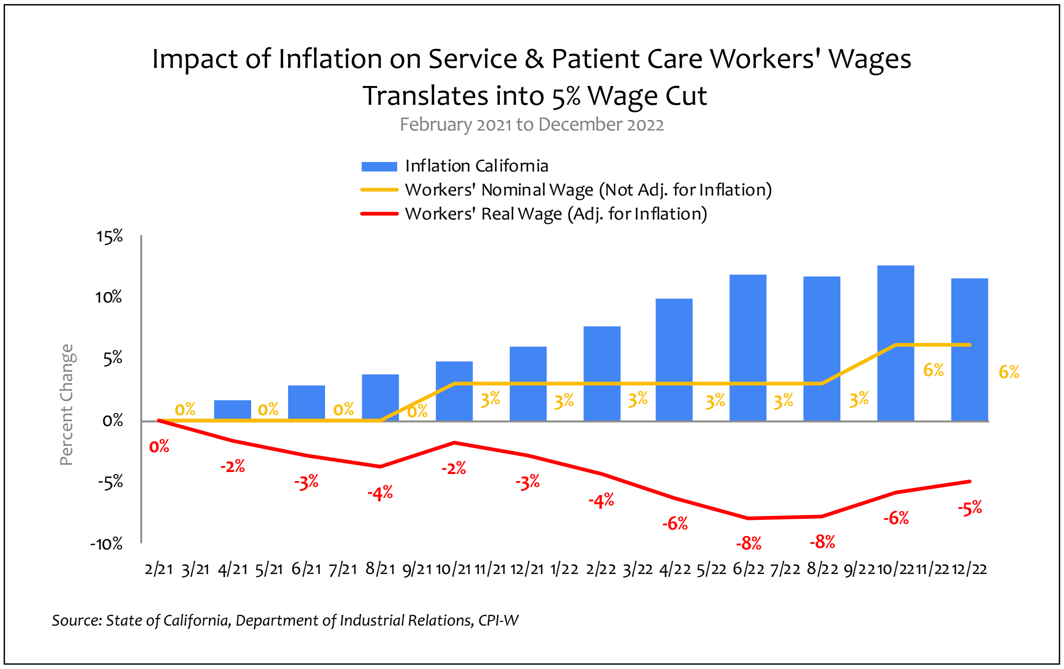
For many frontline service workers, their entry-level wage in February 2021 was $17.82 per hour. Since then, even with annual wage increases, rapid inflation has eroded the purchasing power of their earnings to an inflation-adjusted starting wage of $16.94.

Case Study 2: Unrepresented Student Workers

For nearly 40,000 unrepresented student workers, minimum wage rates are determined locally by each campus. These students are typically paid at or just above the minimum rate. The majority of the campuses have chosen to follow the state minimum wage, while minimum pay at UC Berkeley, UC Los Angeles, and UC San Diego is set at or just above local minimum wage rates.[53] This section examines the impact of inflation on purchasing power at all undergraduate campuses throughout the University of California system.[54] Across the state, inflation has eroded the value of these wage rates at each campus.[55]

At UC Davis, UC Santa Cruz, UC Merced, UC Irvine, UC Riverside, and UC Santa Barbara, the minimum wage for unrepresented student workers was $14 per hour on January 1, 2021, $15 per hour on January 1, 2022, and most recently $15.50 per hour on January 1, 2023. For the time period with available CPI information for California, from February 1, 2021 to December to

Figure 7: Impact of Inflation on Service and Patient Care Workers' Wages[56]



2022, inflation eroded student workers' minimum wage on campus by four percent.[57]

At UC Berkeley, where the minimum wage for unrepresented students reflects the local minimum wage of $16.99 per hour—the highest of all UC campuses—increases still have not kept up with inflation. Nominal wage increases vis-à-vis increases in CPI show that students' real wages have fallen behind by five percent since 2021.[58]

UC Los Angeles increased the student minimum wage from $15 per hour to $16.25 per hour in June 2022. Despite this increase, real wages for students in Los Angeles still decreased by three percent between February 2021 and December 2022.[59]

At UC San Diego, the University's minimum wage was $14.00 in 2021, $15.00 in 2022 and it increased to $16.30 per hour on January 1, 2023 in line with the City of San Diego minimum wage. Between February 2021 to December 2022, real wages for students at UC San Diego decreased by four percent.[60]

Without pay raises, price increases will continue to shrink the value of wages in these workforce segments. While the U.S. Federal Reserve has undertaken various policy actions to bring inflation down to its two percent price stability objective, there is a broadly held expectation that inflation will remain elevated for a protracted period.[61] Currently, housing costs are by far the largest contributor, accounting for nearly half of the monthly increase in CPI. In March 2023, rent was 8.2 percent higher than the year before.[62]

Figure 8: Impact of Inflation on Student Workers' Minimum Wage at Most UC Campuses

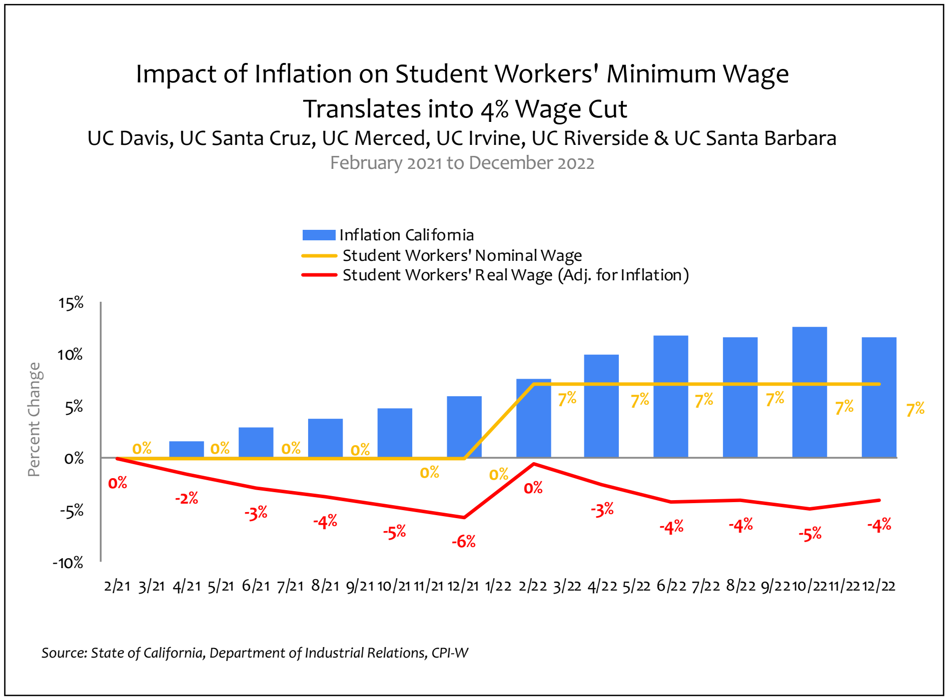
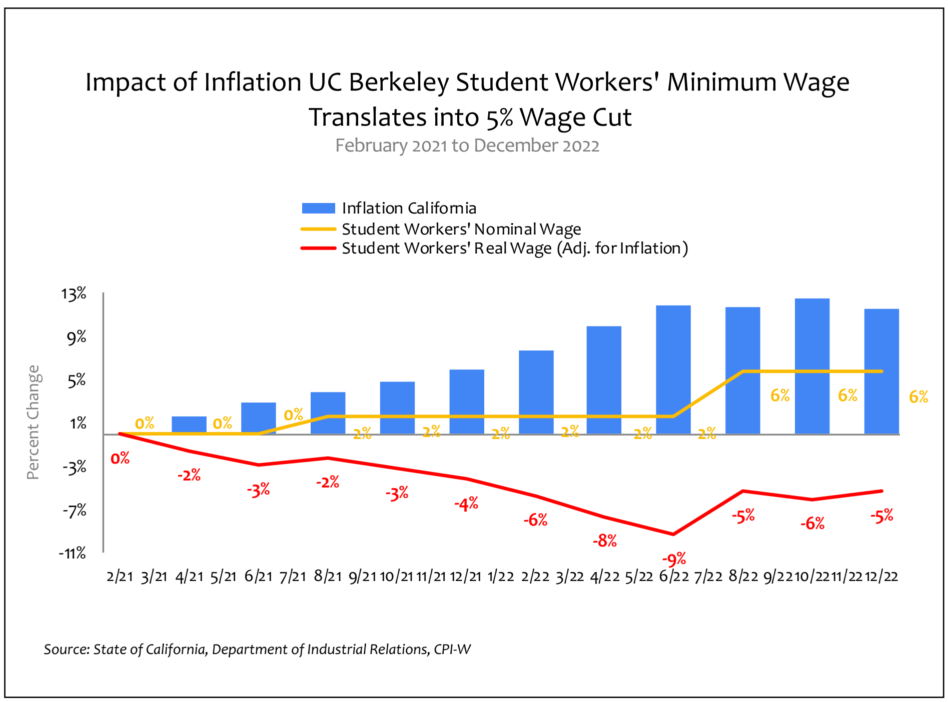


Figure 9: Impact of Inflation on UC Berkeley Student Workers' Minimum Wage



Low Wages Fuel Staffing Shortages Among Essential Workers

Frontline UC service and patient care workers have borne the brunt of health and financial risks associated with the COVID-19 pandemic. At the onset of the pandemic, thousands of UC service workers received layoff notices as students moved off campus, while many others volunteered for new work assignments at UC medical centers. Today, the labor market is especially tight for employers hiring for these same types of jobs.

Researchers have cited a number of reasons for this trend, including workers finding higher paying jobs, looking for jobs closer to home, moving into other industries, or leaving the workforce altogether.[63] Across the service industry, employers have raised wages to better compete for workers. In the health sector, the mental and physical toll of the pandemic combined with low wages for many frontline workers have created worker shortages that threaten patient care.[64] One economist described these trends as an evolution that has "raised wages and changed the structure of the labor market in a deep, profound way."[65]

According to UC Chief Financial Officer Nathan Brostom, staff vacancy rates at UC are three times higher than they were before the COVID-19 pandemic.[66] Recently, a University administrator overseeing Housing and Dining Operations at UC Berkeley, including frontline service workers, observed that staff vacancies were beginning to emerge as a "risk factor" to the University. She remarked, "We are absolutely struggling to bring people into the University at the current [wage] rate[s]."[67] Similarly, a UCLA campus recruiter identified low wages as an obstacle to hiring for campus service positions.[68] Higher wages could lower high turnover rates and improve the quality of services and patient care by retaining experienced workers.[69]

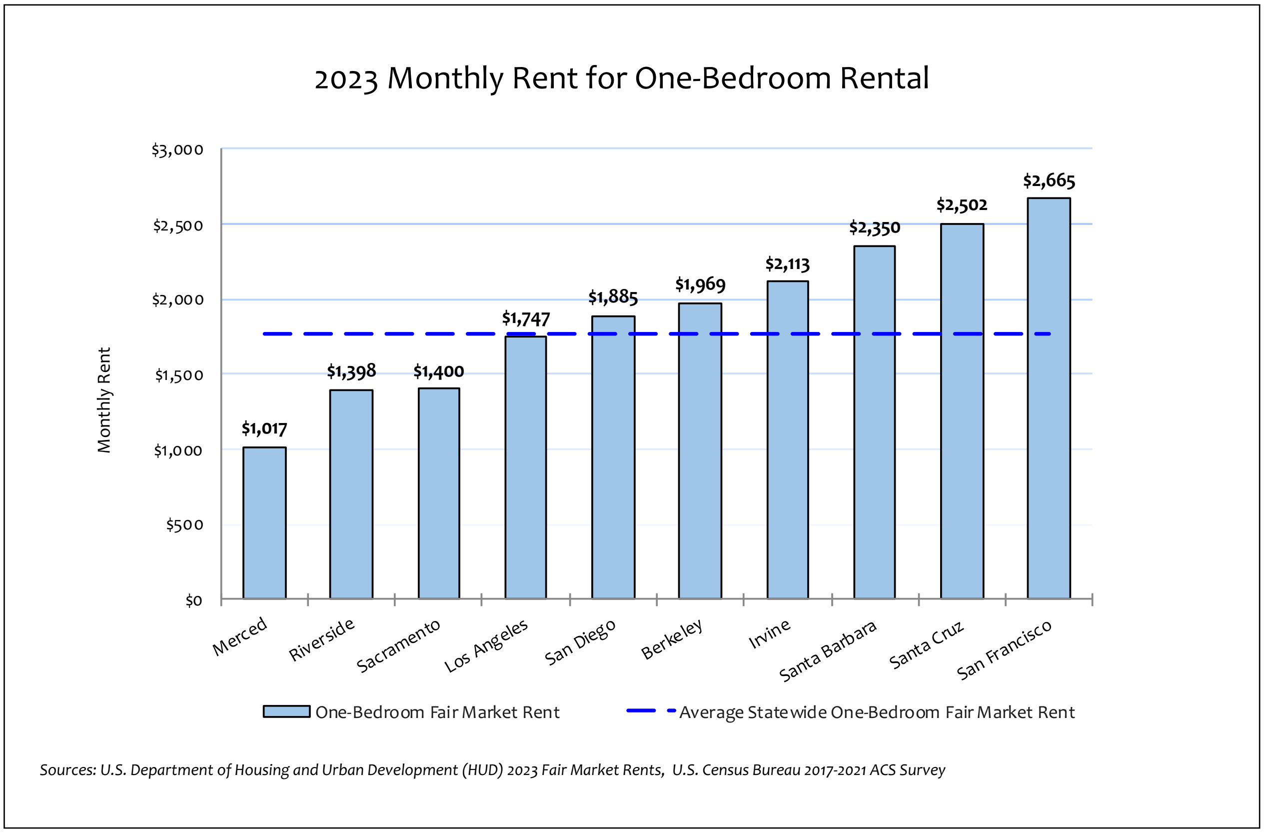
5. Low Wages Put Housing Beyond the Reach of Vulnerable Workers

UC Locations Are Marked by High Housing Costs

UC campuses and medical centers are located in cities with some of the highest housing costs in the state. In July 2022, six of the ten cities nationwide with the most expensive one-bedroom monthly rents were California cities. Of those six cities, five include a UC campus.[xi] [70]

According to HUD, most counties where a UC campus is located have higher fair market rents than the statewide average.[xii] [71] While counties with universities are generally more expensive than average, UC is an outlier even amongst universities. UC Santa Barbara Department of Political Science Professor Daniel Masterson found that the average cost of living in counties with a UC campus is 47 percent higher than the national average as well as higher than the average cost of living in other counties with universities—even higher than the top 50 non-UC schools, which includes those located in expensive metropolitan areas, such as New York University, Harvard University, and Georgetown University.[xiii] [72]

Figure 10: 2023 Monthly Rent for One-Bedroom Rental



[xi] This includes Santa Ana, which is five miles from the UC Irvine Campus, and Oakland, which is one mile from the UC Berkeley campus. The other cities are San Francisco, San Diego, and Los Angeles.

[xii] The 2023 statewide Fair Market Rent is $1,767 per month for a one-bedroom, $2,197 for a two-bedroom, $2,916 for a three-bedroom, and $3,337 for a four-bedroom. Corresponding campuses and medical centers are typically located in the same HUD Metro Area or Metropolitan Statistical Area, with the exception of the UC Davis Medical Center and UC Davis, which are located in the Sacramento-Roseville-Arden-Arcade HUD Metro Fair Market Rent Area and Yolo HUD Metro Fair Market Rent Area, respectively. The chart shows the one-bedroom Fair Market Rent for UC Davis, which is $6 more than the one-bedroom Fair Market Rent for UC Davis Medical Center.

[xiii] The comparison groups were organized by the author using U.S. News 2022 rankings of U.S. universities.

Over the last two years, average rents have grown 10 to 31 percent in counties with UC locations, far outpacing the 6 percent wage increases provided to frontline service and patient care workers. Housing costs have grown most significantly in Santa Barbara, San Diego, Orange, Riverside, and Santa Cruz counties.[73]

Over the previous decade, population growth has steadily increased in California's inland communities.[74] The pandemic accelerated this growth, pushing populations out of the state's dense, urban centers and into inland, suburban communities.[75] Less dense coastal cities, such as Santa Barbara and Santa Cruz, also saw population growth as a result of the pandemic as remote workers flocked to coastal areas.[76] Surging housing prices followed, raising concerns around housing affordability in those communities with historically lower housing costs, including Riverside.[77]

Figure 11: Cost of Living in Counties Where Universities are Located

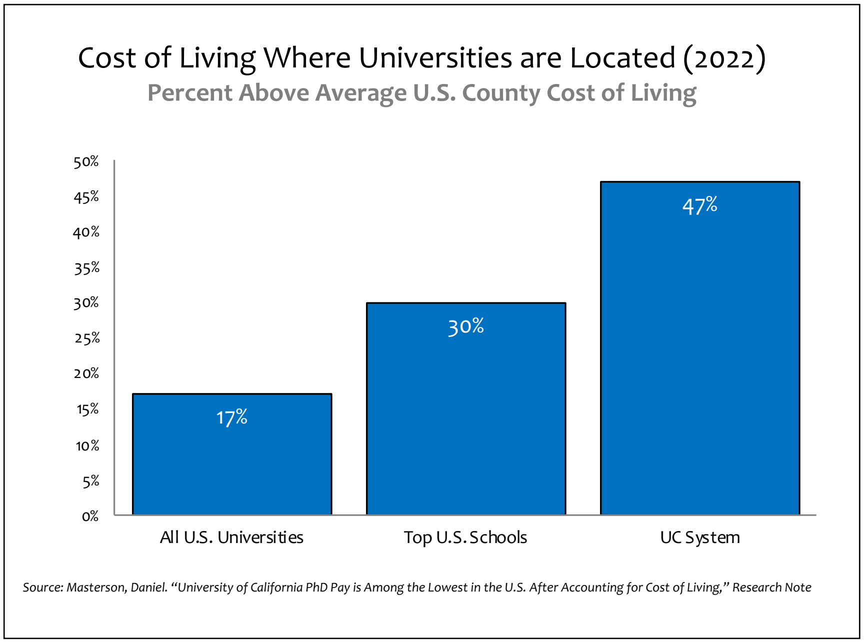
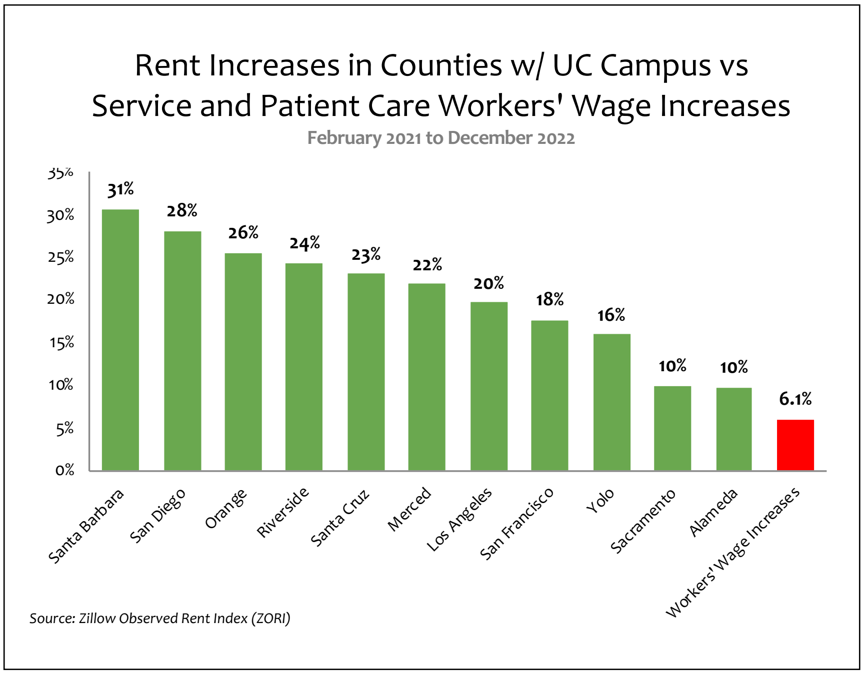


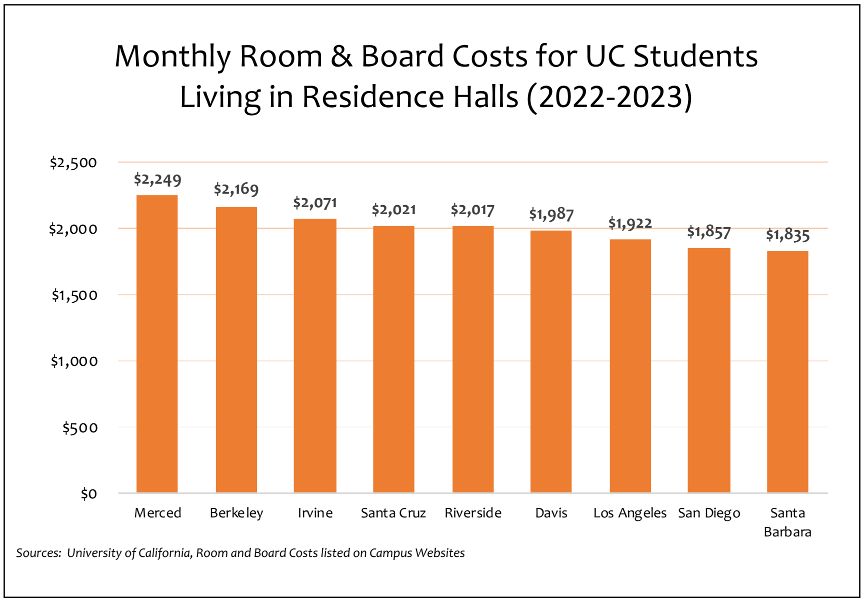
Figure 12: Percent Increase in Rent versus Service and Patient Care Worker Wage Increases



For the 2022-2023 academic year, the University estimates the statewide average cost of student on-campus housing to be $17,800 per year, or nearly $2,000 per month.[78] Room and board costs for students living in residence halls often do not reflect the local housing market. For example, although UC Merced, UC Riverside, and UC Davis are located in areas with the lowest Fair Market Rent of all UC campuses, their on-campus room and board costs are higher than campuses located in higher-cost housing markets like UC Santa Barbara, UC San Diego, and UCLA.[79]

UC Merced, the campus with the largest share of first generation college students, has the highest room and board costs of any campus despite being located in the least expensive area.[80] Students living in residence halls pay more than double the fair market rent for a one-bedroom.[81] Much of the student housing at UC Merced was built through a public-private partnership, a development model that UC admits increases costs

Figure 13: Monthly Room & Board Costs for UC Students Living in Residence Halls (2022-2023)



for students.[xiv 82] At both UC Riverside and UC Davis, living in a residence hall costs about $600 more per month than the Fair Market Rent for a one-bedroom. Even after factoring in the estimated cost of food, living in a fair market rental unit is still less expensive than the cost of room and board at these three campuses.[xv 83]

Housing Wage Analysis of UC's Low-Wage Workers

This section explores how the gap between wages and housing costs has grown for UC's lower-paid workers. A "housing wage" is the hourly wage a full-time employee would need to afford housing in the local market, where affordability means housing costs are less than 30 percent of income so that households can pay for other essential goods and services.[84] Many UC workers are unable to afford housing within the same local housing market as their respective campus or medical center.[xvi] A comparison between payroll data and fair market rent data reveals that frontline service and patient care workers typically must pay more than 30 percent—and often more than 50 percent—of their income on housing in order to live close to work.

The housing wages for UC workers reflect the high cost of housing near UC locations.[xvii] Predictably, housing wages for workers are highest in the metropolitan areas that have been pricier historically and/or have seen recent surges in the costs of housing. Overall, the median hourly wage of $29.22 for frontline service and patient care workers is lower than the housing

[xiv] UC San Diego Chancellor Pradeep Khosla remarked during a State Assembly Informational Hearing that, "Issuing our own bonds rather than entering into public private partnerships has allowed UC San Diego to keep costs down for our students." UC San Francisco Associate Vice Chancellor Clare Shinnerl explained during a UC Regents meeting, "The primary reason [not to use public private partnerships for student housing] was to have full control of the rental costs. That is really important to our students, and we are committed to ensuring they have the lowest rates possible. There is a risk to that when it is with a for-profit developer."

[xv] According to the Living Wage Calculator developed by Dr. Amy K. Glasmeier at the Massachusetts Institute of Technology (MIT), the monthly cost of food in Merced, Riverside, and Yolo counties is $390.50 in 2023.

[xvi] Local housing market refers to the campus or medical center's HUD-assigned metropolitan area used by the agency to determine Fair Market Rents (FMR).

[xvii] Corresponding campuses and medical centers are typically located in the same HUD Metro Area or Metropolitan Statistical Area, with the exception of UC Davis. UC Davis Medical Center is located in the Sacramento--Roseville--Arden-Arcade, CA HUD Metro FMR Area and UC Davis is located in the Yolo, CA HUD Metro FMR Area. The chart shows the average housing wage of the two HUD Metro Areas. The housing wage for a one- and two-bedroom rental near UC Davis is $26.93 and $35.46, respectively. The housing wage for a one- and two-bedroom rental near UC Davis Medical Center is $26.82 and $33.64, respectively.

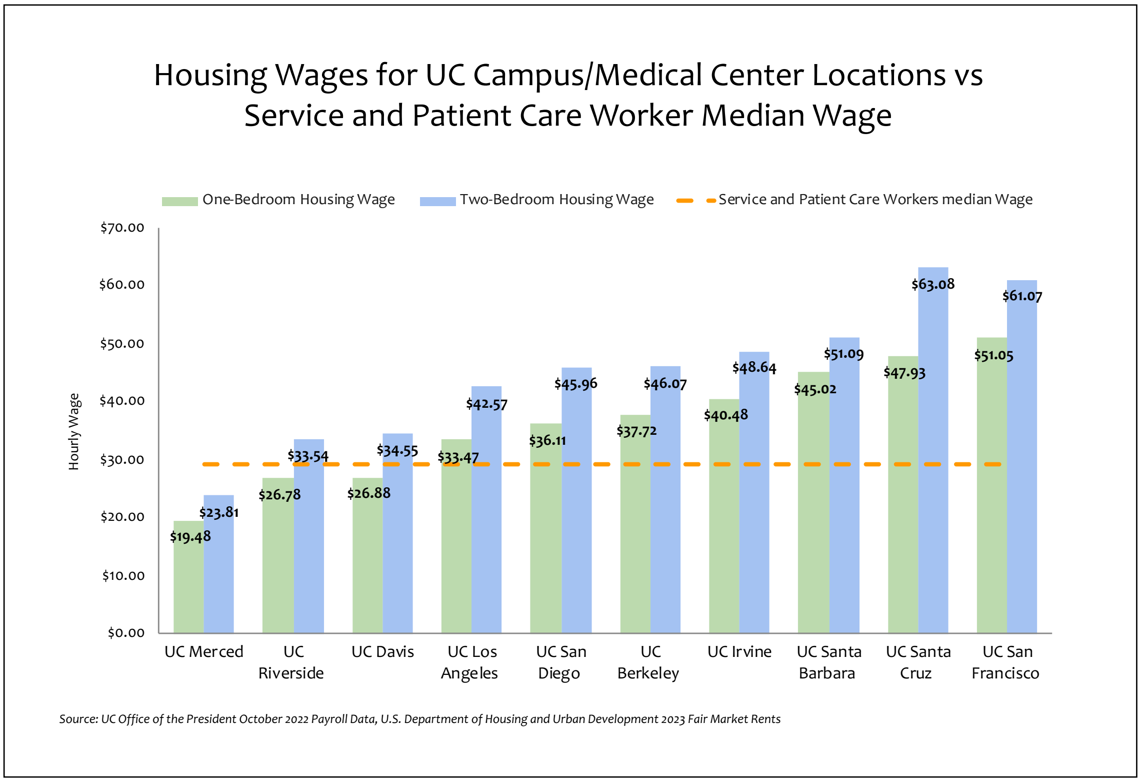
wages in nearly all of the metropolitan areas, and substantially lower than the statewide housing wage for a one-bedroom rental, which is $33.84 per hour.[85]

A comparison between the actual wages of frontline service and patient care workers and the wages required to afford housing near their work shows large gaps.[86] Seventy percent of frontline service and patient care workers are unable to afford a one-bedroom rental near their respective campus or medical center and 86 percent are unable to afford a two-bedroom rental. Specifically, 95 percent of service workers and 58 percent of patient care workers do not earn enough to afford a one-bedroom rental close to work.

Campus-specific analysis of area housing wages reveals striking imbalances between wages and housing. Over 90 percent of frontline service and patient care workers at UC Berkeley, UC Santa Cruz, and UC Irvine are below their housing wage, while 100 percent earn less than this threshold at UC Santa Barbara. Riverside has a higher percentage of workers earning below the housing wage than San Francisco, even though it is a less expensive housing market, in part because rent increases during the pandemic far outpaced workers' wage growth.

There are only two locations where the respective campus or medical center median wage earned by AFSCME members surpasses the wage needed to afford a one-bedroom rental: UC Davis Medical Center in Sacramento and UC Merced. There are notable concerns, however, that the continued migration of Bay Area homebuyers could continue to raise housing costs in the Sacramento market.[87]

Figure 14: Housing Wages for UC Locations versus Service and Patient Care Worker Median Wage



The gap between wages and housing costs for UC workers has widened significantly in recent years. In 2017, housing close to UC campuses was affordable to 50 percent of frontline service and patient care workers, as opposed to just 30 percent five years later.[88] This dramatic shift in the proportion of workers earning a housing wage reflects the effects of high rent growth outpacing wage growth over a sustained period of time.

AFSCME-represented service and patient care workers earning less than the state housing wage would need a median wage increase of $10.45 per hour—an increase of 39 percent—to be able to afford a one-bedroom rental close to work. For a two-bedroom rental, these workers would need a median increase of $17.68 per hour, a 63 percent increase.[89]

The stark disparities between income and cost of living in UC communities leaves workers with difficult choices. For example, they can pay a significant portion of their paychecks to monthly rent, commute hours each day to and from work, or cut back on basic necessities. Alternatively, they could leave UC employment in search of higher wages or work closer to home. These choices contextualize worker shortages at the University.

Each year, UC admits a large number of low-income undergraduate students who are often dependent on financial aid, loans, and part-time employment to meet expenses. Additionally, the University has prioritized

Figure 15: Percentage of Service & Patient Care Workers Earning Below their Respective Housing Wage

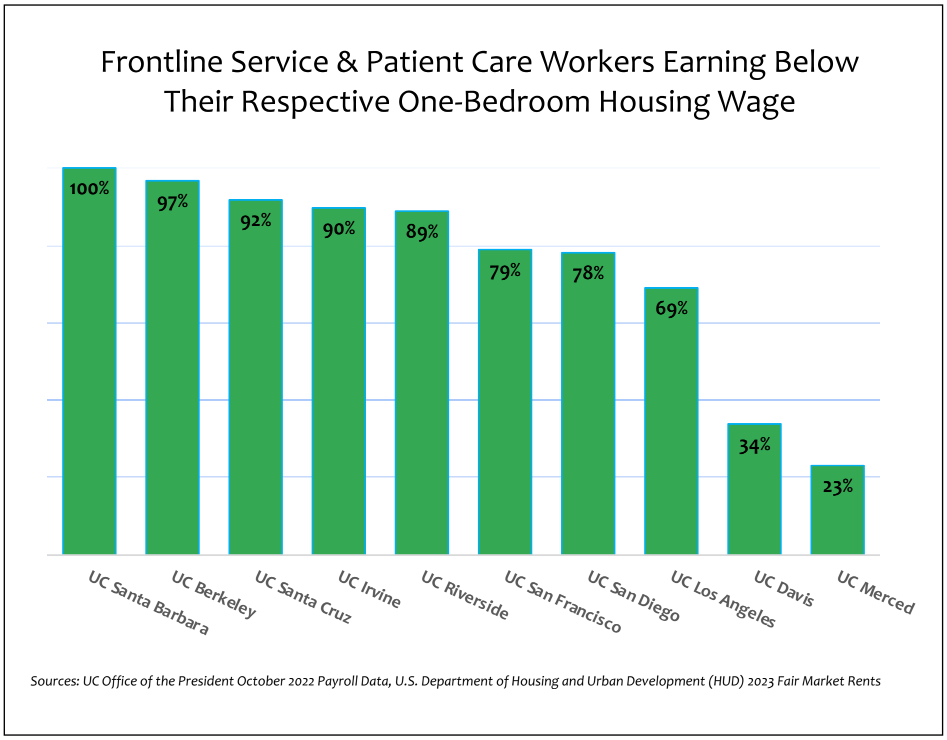
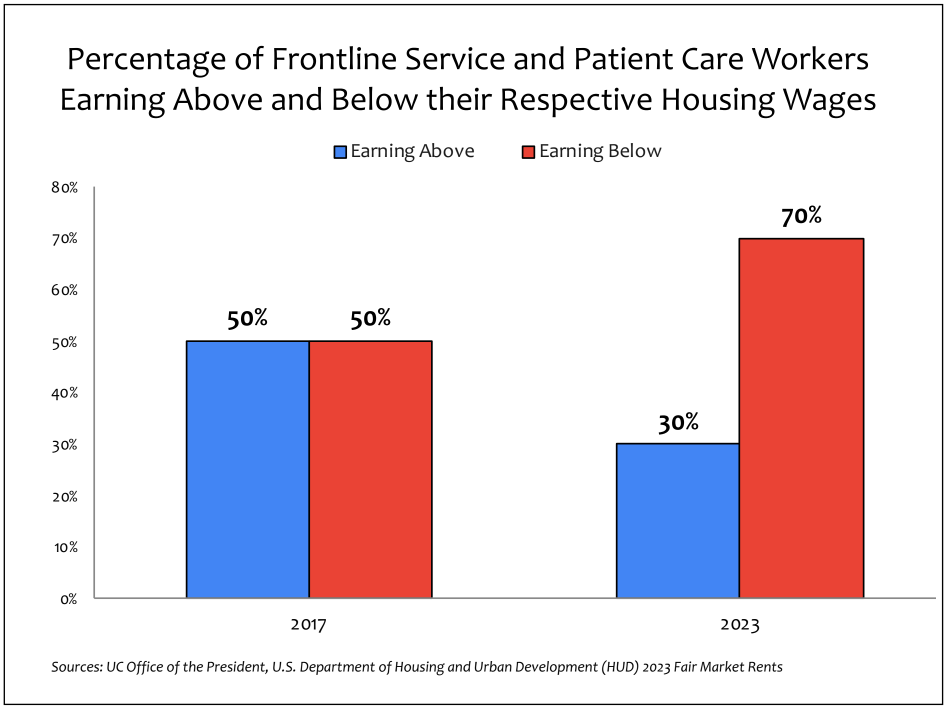


Figure 16: Percentage of Service and Patient Care Workers Earning Above & Below their Respective Housing Wage

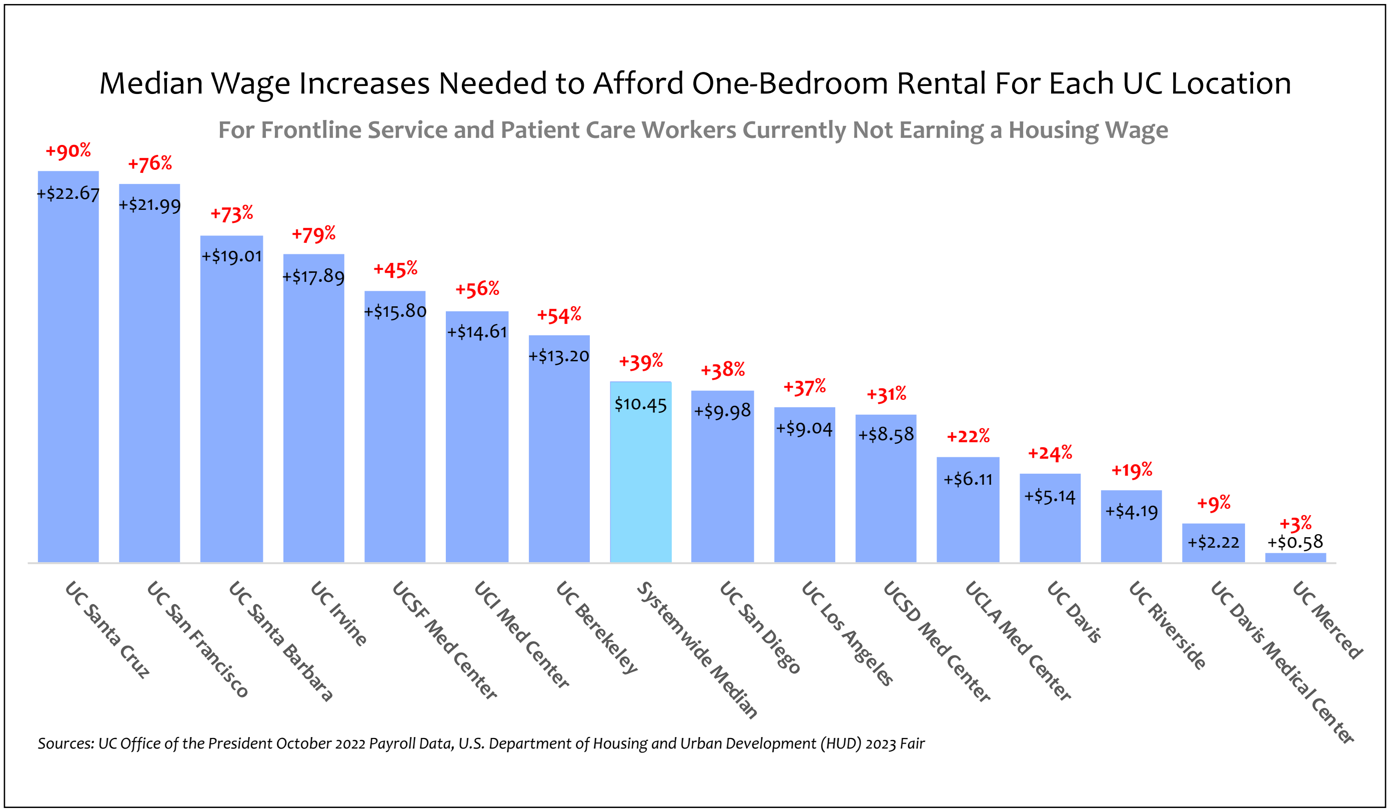


expanding access for California students who are Pell Grant recipients, first generation college students, or members of historically under-represented demographic groups.[90]

Amidst these efforts, University studies on students' food and housing insecurity have noted that over the last two decades, the total cost of attendance at the UC has more than doubled. The University concluded that "[h]ousing costs are the highest contributor to student debt and among the most significant contributing factors to students' unstable and unhealthy basic needs experiences."[91] A 2016 UC survey found that five percent of undergraduate students experienced homelessness during enrollment. Eight percent of undergraduate students continue to experience housing insecurity in 2022.[xviii 92]

A research project studying Los Angeles County undergraduate student workers at UCLA, California Community Colleges, and California State University campuses found that UC undergraduate workers faced more housing insecurity than their peers at the two other college systems.[93]

Figure 17: Median Wage Increases Needed for Service and Patient Care Workers to Afford a One-Bedroom Rental for Each UC Location



[xviii] The 2022 survey no longer asked about homelessness but rather specific forms of housing insecurity.

6. Current Wage Policies and Potential Reforms

Research Findings on Vulnerable UC Workers

Union-represented employees, who account for half of UC's non-academic workforce, have also been the subject of several studies on housing and food insecurity. In 2016, a study conducted by Occidental College found that two-thirds of UC staff in clerical, administrative, and support positions experienced food insecurity according to U.S. Department of Agriculture guidelines, including 45 percent who went hungry at times and 25 percent who had to reduce the quality of what they ate. Most of those surveyed were full-time employees and earned an average of $22 per hour. This level of food insecurity was more than five times higher than for California residents or the U.S. as a whole. Lead author Professor Peter Dreier partly blamed high housing costs for consuming a disproportionate amount of household income and 80 percent of respondents reported having to choose between buying food and paying rent or utilities.[94]

In 2022, a survey of academic student employees, student researchers, postdoctoral students, and academic researchers at the University of California found that 92 percent of graduate student workers and 61 percent of postdoctoral students were housing cost-burdened under federal affordability guidelines. It also found the average graduate student worker spent more than half their income on rent, leading to sacrifices of other basic necessities.[95] Survey results found that these workers needed an average annual salary of $54,000—the equivalent of about $26 per hour for a full-time hourly employee—in order to afford housing near their work. At the end of 2022, academic student workers ultimately went on a 40-day strike for higher pay and to reduce their rent burden.[96]

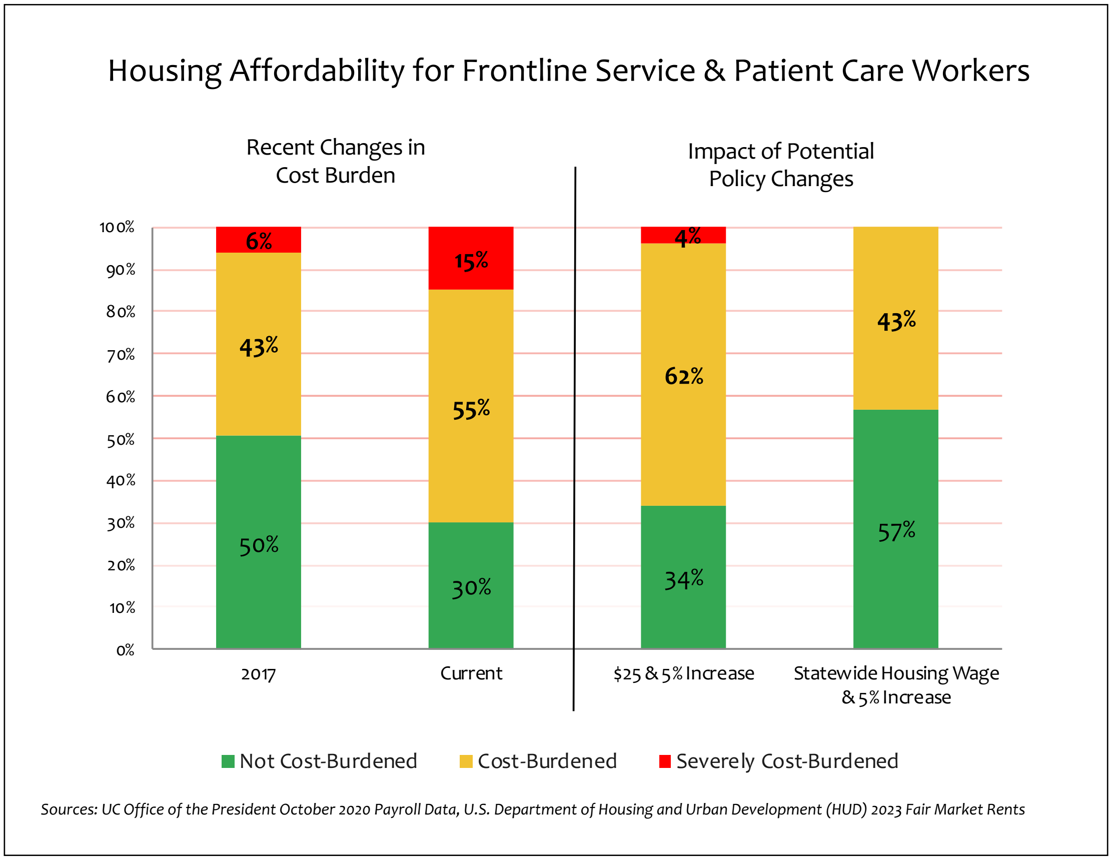
Analysis of Effects from Implementation of Current and Potential Wage Initiatives

In recent years, there have been several new initiatives to address the affordability crisis for frontline

healthcare workers spotlighted by the COVID-19 pandemic. In 2022, five California cities, including Los Angeles, adopted policies to set a $25 per hour minimum standard for these workers.[97] In 2023, State Senate Bill 525 was introduced by Senator María Elena Durazo to create a $25 minimum for both private and public healthcare workers statewide in order to reduce worker shortages in essential health services.[98]

Since 2017, the share of UC's frontline service and patient care workers who can afford a one-bedroom rental close to work has declined from 50 percent to just 30 percent. The percentage of these workers who are now "severely cost-burdened" has grown from 6 to 15 percent.[99] To combat this trend, the UC Board of Regents could act on its own to establish a $25 per hour minimum and general wage increase for all UC workers to offset accelerated inflation during the past two years.

Figure 18: AFSCME's Share of Income Towards Rent



For example, the case study of AFSCME-represented UC workers shows that raising the minimum wage to at least $25 per hour and implementing a five percent wage increase for workers already earning above $25 per hour (to account for inflation during the past two years) would reduce the percentage of severely cost-burdened workers by 11 percent.[100] This would not only improve housing affordability for thousands of workers, it would arguably also boost UC's ability to recruit workers to fill these jobs in a historically tight labor market.

Similarly, increasing UC's minimum wage to match the statewide housing wage of $33.84 while providing a five percent wage increase for inflation would entirely eliminate the number of workers who are severely cost-burdened when they live near their work. A majority of workers would not be cost-burdened at all, similar to 2017 levels.[101] This would have the most significant impact on housing affordability for the workers profiled in this report but also impose the highest budgetary cost.

Pay Equity for Student Workers Could Prevent Food and Housing Insecurity

UC campuses have addressed students' basic needs through measures such as food pantries, grocery gift cards, and meal vouchers. The UC has also lobbied the State Legislature for funds to support initiatives such as emergency meal services, CalFresh enrollment clinics, and rapid rehousing. Since Fiscal Year 2019-20, the State Legislature has allocated $18.5 million each year to the University to support these initiatives.[102]

UC's studies on meeting students' basic needs, to date, have not considered a preventative strategy such as increasing the wages of undergraduate student workers at the University.

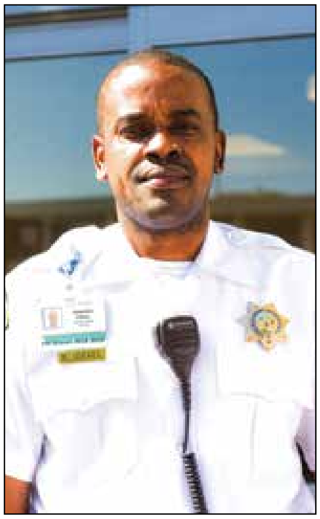
For UC students with state residency, housing is often the most significant cost of UC attendance. Even working full-time, at current wage rates, a typical UC student worker would still need to pay more than 60 percent of their income to afford housing on or near campus.[103] To pay the total cost of attendance, they would need to work nearly 50 hours per week every week of the year. If a student worker currently working 15 hours a week was paid $25 per hour instead of their median wage of $16 per hour, they would earn nearly $600 more each month.[xix 104]

Higher wages would also allow UC students to devote more time to their academic studies. Research suggests working more than 20 hours tends to negatively affect a student's academic progress and performance.[105] According to the University, 11 percent of undergraduates work more than 20 hours a week. As part of their financial aid package, UC students are required annually to contribute $9,900 on average. Higher wages would allow them to meet this obligation while working six fewer hours per week.[xx 106]

Fiscal Impacts from a Systemwide Minimum Wage Increase

With an operating budget of $47 billion, the University of California enrolls more than 300,000 students, confers 85,000 degrees, admits 170,000 patients, and operates 4,000 licensed hospital beds each year.[107] It directly employs more than 232,000 faculty and staff while its spending supports over 529,000 jobs, representing one out of every 45 jobs in California.[108]

Although nearly a quarter of UC employees earn less than $25 per hour, their total earnings account for less than five percent of UC salary costs.[109] Bringing all UC employees up to $25 per hour would add just 0.6 percent to UC's operating budget, and including a five percent inflation adjustment for frontline service and patient care workers would add another 0.1 percent. Alternatively, raising all UC workers' wages to the California state housing wage of $33.84 would cost 2.5 percent of UC's operating budget.[110] Research suggests that improving wages for these frontline occupations could generate savings from improved employee retention, reduced employee turnover and other business efficiencies that would offset a portion of these costs.[111]



[xix] UC Admissions estimates that tuition and on campus living expenses will cost $41,052 per year for a California resident and $73,626 per year for nonresident students. In October 2022, the median student worker wage was $16 per hour.

[xx] The "self-help" component of a student's financial aid package includes both student loans and an expected contribution from employment. UC expects all students to be capable of making the same self-help contribution from a manageable level of work and borrowing, as necessary.

UC Has Recognized the Need for Wage Adjustments but Not for its Lowest-Paid Employees

The UC Board of Regents have made inflationary adjustments to the wage rates of various workforce segments, but not for the especially economically vulnerable workforce segments highlighted in this report.

In January of 2022, the UC Board of Regents approved "market-based salary adjustments" for all ten UC chancellors in order to "bring [chancellor's] base salary compensation closer in alignment to market data and industry peers." This included establishing a minimum salary for chancellors of $521,896, or $250 per hour.[xxi] [112] An additional adjustment in 2023 will raise chancellors' average hourly base pay from $293 per hour to $320 per hour—an increase of 34 percent since 2021. This does not account for a separate boost to their salaries when unrepresented staff receive a wage increase of 4.6 percent later in the year.[113] In accordance with policy, unrepresented student workers will be excluded from this wage increase.

Similarly, over the last two years, the average base pay of UC's senior managers has increased from $201 per hour in 2020 to $226 in 2022—an average increase of 12 percent or $51,000 per year. In contrast, the average non-academic employee earns $36 per hour.

Figure 19: UC Chancellors' Hourly Pay in 2023

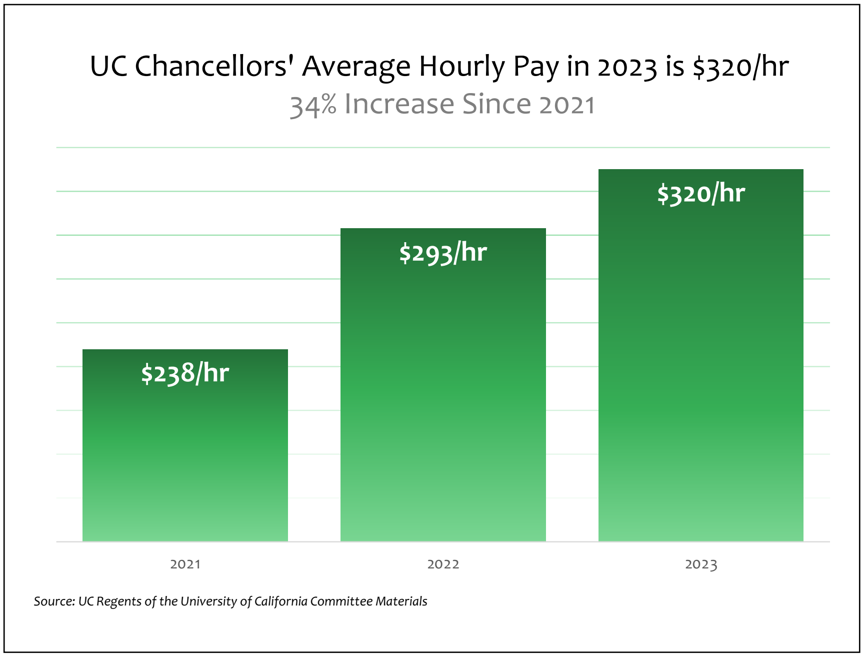
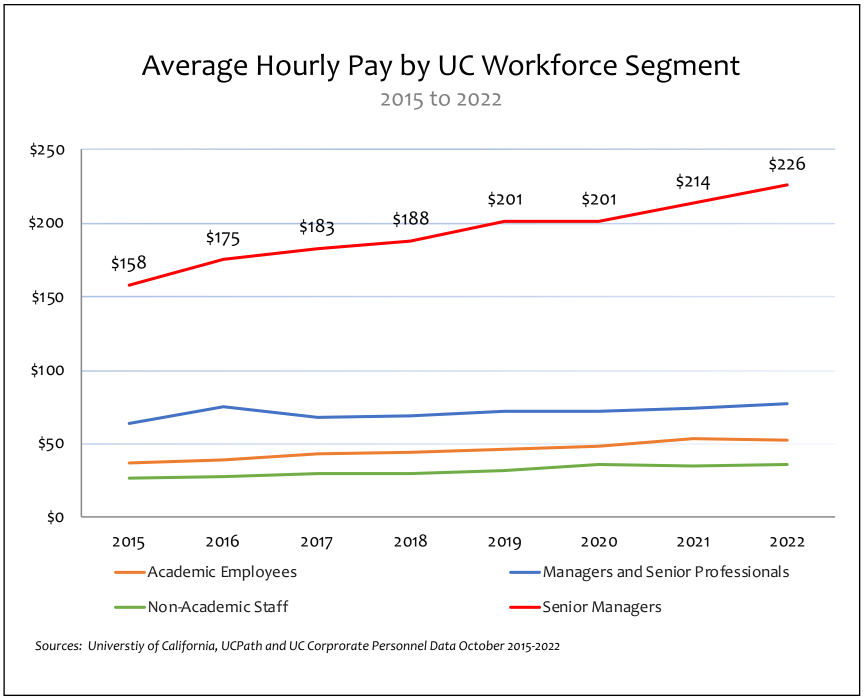


Figure 20: Average Hourly Pay Rate by UC Workforce Segment



While housing costs burden thousands of UC's low-wage workers, UC management employees do not face similar challenges. A typical middle manager at UC would need to spend just

[xxi] The initial proposal presented to the Regents would have established a $519,400 minimum for all chancellors and additional "market adjustments" over the course of three fiscal years. The Regents passed an amendment by Regent Perez "so that the salary adjustments occur not over multiple phases, but as one action, effective March 1, 2022."

16 percent of their income to afford a market-rate one-bedroom near their work, while UC's senior management would only need to spend six percent of their income to afford market rate housing.[114] Even though the University provides all UC chancellors a fully-staffed campus residence, the Regents recently amended existing policy to grant chancellors access to financing assistance for purchasing their own private residence.[115] And in 2021, UC purchased a $6.5 million residence for use by President Drake.[116]

On May 6, 2022, UC President Drake announced a 4.5 percent wage increase for staff not covered by a collective bargaining agreement, higher than the 3 percent increase they received in 2021.[117] Subsequently, the UC Regents approved the UC Office of the President's recommendation of another 4.6 percent increase for unrepresented staff in 2023. University officials deemed these increases—"the largest we've had in a generation"—as "essential… due to a highly competitive labor market [and] the impact of rising inflation on the purchasing power of UC salaries."[118]

Wage increases negotiated for represented staff post-pandemic have also accounted for accelerated inflation. Represented administrative support staff received a six percent wage increase in 2022 after ratifying a new contract in October.[119] Registered Nurses also received a six percent increase in the first year of their newly-negotiated bargaining agreement, to be followed by additional five percent increases in the subsequent two years.[120] These future increases will help offset the effects of persistently high inflation.

Thus far, despite a widening affordability crisis and growing shortages of workers willing to perform its lowest-wage service and patient care jobs, the University has not yet moved towards adjusting wage rates for these positions. Instead, it is hiring new employees at wage levels normally earned through years of job experience. UC officials have described this practice as an alternative to increasing starting pay. At UC Irvine, for example, all food service workers and cooks are being hired at wage levels normally earned after three to five years of job experience.[121] UCLA similarly hired food service workers above the official starting wage, but vacancies for these positions

have grown from 300 to 500 over the last year, along with its reliance on outsourcing.[122]

At a recent town hall meeting, staff members raised the concern that "newly-hired staff…are compensated more highly than those who have been doing the same work at UC for quite some time" and underscored the risks of racial or gender-based disparities in this practice. UC President Drake responded, "When people tend to be hired, they tend to be hired at market… The market can sometimes change more rapidly than we can adjust the pay scales."[123]

Conclusion

California's affordability crisis has deeply impacted the state's premier public university and third-largest employer. Left out of broad-based wage adjustments, recent spikes in inflation and skyrocketing housing costs have dramatically eroded the value of paychecks for the University of California's most vulnerable and lowest-paid workers, increased burdens on low-income students, and fueled worker shortages in frontline jobs that were deemed essential during the COVID-19 pandemic.

As it has already done for less vulnerable workforce segments, the University could establish a systemwide minimum wage that allows its lowest paid workers to be less severely cost-burdened and provide them wage increases that account for rising costs—including parity for all workers performing the same services. It could also prioritize affordable housing development and reconsider its massive holdings in real estate companies whose investment models escalate the housing crisis.

In addition to putting housing and basic needs within reach for its workforce, these changes could lower the high rate of vacancies in frontline UC jobs by improving their labor-market competitiveness and, given UC's size and scale, have a significant impact in beginning to solve California's affordability crisis.

Raising the minimum wage to at least $25 per hour and providing a five percent cost of living adjustment would make a minimal difference to the University's total operating expenses but offer an important lifeline to thousands. As a case study focused on UC's lowest wage workers, these findings suggest that a $25 per hour minimum wage for all UC workers could have a substantial impact on housing affordability while also taking important steps towards addressing the financial and academic needs of thousands of unrepresented student workers.

Endnotes

1 Robyn Schelenz, "Job Burnout is a Billion-Dollar Problem. Can We Fix it, Despite COVID-19?," *University of California Newsroom,* September 3, 2020. https://www.universityofcalifornia.edu/news/job-burnout-billion-dollar-problem-can-we-fix-it-despite-covid-19

2 Ruchi Avtar, Rajashri Chakrabarti, and Maxim Pinkovskiy, "Was the 2021-22 Rise in Inflation Equitable?," Federal Reserve Bank of New York, Liberty Street Economics, June 30, 2022. https://libertystreeteconomics.newyorkfed.org/2022/06/was-the-2021-22-rise-in-inflation-equitable/

3 Bureau of Labor Statistics, CPI for Urban Wage Earners and Clerical Workers, U.S. City Average, All items, 1970-2023 (CWUR0000SA0) [Data set], accessed April 6, 2023. http://data.bls.gov

4 This report uses the CPI-W, an index that tracks prices as they affect urban hourly wage earners and clerical workers. State of California, Department of Industrial Relations, April 2020 to December 2022, California Consumer Price Index Chart (1955-2022), accessed February 28, 2023. https://www.dir.ca.gov/OPRL/CPI/EntireCCPI.PDF

5 The CPI Index is tracked bi-monthly for California regional markets other than Los Angeles, where it is tracked on a monthly basis. Data for San Francisco is tracked for even-numbered months (February, April, etc.), and data for San Diego and Riverside is tracked for odd-numbered months (January, March, etc.). For this analysis, April 2020 is used as the base month other than for San Diego and Riverside, where the base month is March 2020. Accordingly, the inflation increase for the Riverside region is from March 2020 to November 2022 to mirror the same number of months. CPI Index Historic Data for California, State of California, Department of Industrial Relations in response to a Request for Information on August 18, 2022; Consumer Price Index Table - All Areas (2021-2022), accessed February 28, 2023. https://www.dir.ca.gov/OPRL/CPI/PresentCCPI.PDF

6 Rachel Siegal and Andrew Van Dam, "Survival Mode: Inflation Falls Hardest on Low-Income Americans," *The Washington Post,* February 13, 2022. https://www.washingtonpost.com/business/2022/02/13/low-income-high-inflation-inequality/

7 Sam Dean, Andrea Chang, Somesh Jha, and Daniel Miller, "What Inflation Looks Like in Southern California: 'It's a Losing Battle,'" *Los Angeles Times*, June 10, 2022. https://www.latimes.com/business/story/2022-06-10/inflation-consumer-prices-southern-california

8 Ruchi Avtar, Rajashri Chakrabarti, and Maxim Pinkovskiy, "Was the 2021-22 Rise in Inflation Equitable?"

9 Michael S. Derby, "Fed's Harker Says Housing Shortage is a Key Inflation Driver," *Reuters,* September 27, 2022. https://www.reuters.com/markets/us/feds-harker-says-housing-shortage-key-inflation-driver-2022-09-27/

10 Katherine Schaeffer, "Key Facts About Housing Affordability in the U.S.," Pew Research Center, March 23, 2022. https://www.pewresearch.org/fact-tank/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/

11 Adam Barnes, "These are the States Where the Housing Shortage is the Worst," *The Hill*, July 14, 2022. https://thehill.com/changing-america/sustainability/infrastructure/3559650-these-are-the-states-where-housing-shortage-is-the-worst/; Chris Arnold, Robert Benincasa, Jacqueline Ganun, and Haidee Chu, "There's a Massive Housing Shortage Across the U.S. Here's How Bad it is Where You Live," *KQED National Public Radio*, July 14, 2022. https://www.npr.org/2022/07/14/1109345201/theres-a-massive-housing-shortage-across-the-u-s-heres-how-bad-it-is-where-you-l

12 Manuela Tobias, "California Homeless Population Grew by 22,000 Over Pandemic," *CalMatters*, October 6, 2022. https://calmatters.org/housing/2022/10/california-homeless-crisis-latinos/

13 The United States Department of Housing and Urban Development (HUD), Office of Policy Development and Research, CHAS: Background, accessed March 3, 2023. https://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html; U.S. Census Bureau, 2017-2021 American Community Survey, Table B25105: Tenure by Housing Costs as a Percentage of Household Income in the Past 12 Months, accessed March 11, 2023. https://data.census.gov/table?q=United+States&t=Owner/Renter+(Householder)+Characteristics:Renter+Costs&g=0100000US_0400000US06&d=ACS+5-Year+Estimates+Detailed+Tables&tid=ACSDT5Y2021.B25106

14 U.S. Census Bureau, Table B25105: Tenure by Housing Costs as a Percentage of Household Income in the Past 12 Months.

15 Sarah Foster, "Red-hot Inflation is Raising Prices on Everyday Essentials — Here's What's Rising the Most," *Bankrate*, July 5, 2022. https://www.bankrate.com/banking/federal-reserve/inflation-where-prices-are-rising-most/

16 Peter J. Mateyka and Jayne Yoo, "Low-Income Renters Spent Larger Share of Income on Rent in 2021," U.S. Census Bureau, March 2, 2023. https://www.census.gov/library/stories/2023/03/low-income-renters-spent-larger-share-of-income-on-rent.html

17 Katherine Schaeffer, "Key Facts About Housing Affordability in the U.S."

18 UC's $11.4 billion real estate portfolio includes the $10.9 billion presented in a slide titled 'UC Investments Asset Allocations' at the January 17, 2023, meeting of the UC Regents Investment Committee together with an additional $500 million investment in Blackstone's Real Estate Investment Trust (BREIT) announced January 25, 2023. Regents of the University of California, Meeting of the Investments Committee, January 17, 2023. Remarks from Chief Investment Officer Jagdeep Singh Bachher during discussion on Item 1: "Review of Performance for the First Quarter of Fiscal Year 2022-2023 of UC Pension, Endowment, Blue and Gold Pool, Working Capital, and Retirement Savings." https://regents.universityofcalifornia.edu/regmeet/jan23/i1.pdf; Matthew Tauzer, "The High Cost of Housing is a UC-Created Crisis," San Francisco Examiner, November 30, 2022. https://www.sfexaminer.com/our_sections/forum/the-high-cost-of-housing-is-a-a-uc-created-crisis/article_76149e18-701e-11ed-bad3-337f34ad12d1.html; Charmaine Chua, Desiree Fields, and David Stein, "When the Public University is the Landlord," The Law and Political Economy Project, February 20, 2023. https://lpeproject.org/blog/when-the-public-university-is-the-corporate-landlord/

19 Hannah Appel, "Tenant, Debtor, Worker, Student," *The New York Review*, February 8, 2023. https://www.nybooks.com/online/2023/02/08/tenant-debtor-worker-student/;

20 J.K. Dineen, "UC Berkeley's Housing Crisis is 50 Years in the Making, and Students Say, 'We Get Screwed at Every Turn,'" *San Francisco Chronicle,* March 14, 2022. https://www.sfchronicle.com/eastbay/article/UC-Berkeley-s-housing-crisis-is-50-years-in-the-16996100.php; Regents of the University of California, Materials for the Joint Meeting of the Academic and Student Affairs Committee and the Finance and Capital Strategies Committee, Item J1: "Overview of University-Provided Student Housing," March 15, 2023. https://regents.universityofcalifornia.edu/regmeet/mar23/j1.pdf

21 Regents of the University of California, "Overview of University-Provided Student Housing;" Regents of the University of California, Materials for the Board, Item B5: "Presentation of the UC 2030 Capacity Plan," July 21, 2022. https://regents.universityofcalifornia.edu/regmeet/july22/b5.pdf

22 University of California, Information Center, UC Employees, Full-Time Equivalent (FTE), Updated February 15, 2022. FTE Change at UC Medical Centers from October 2011 to October 2021. https://www.universityofcalifornia.edu/about-us/information-center/employee-fte

23 Regents of the University of California, "Overview of University-Provided Student Housing;" University of California Berkeley, Long Range Development Plan and Housing Projects #1 and #2, Draft Environmental Impact Report, 2021.

[24] "All of UC Berkeley's Student Housing is Below Market Rate, and the New Housing at People's Park is No Exception." UC Berkeley People's Park Housing, Financial Support for Students and Their Families, accessed April 14, 2023. https://peoplesparkhousing.berkeley.edu/financial-support; The average for a single bedroom is calculated from the projected rates for housing listed under UC Berkeley's Academic Year 2022-2023 Projected Rates for Apartment Contracts. The rates included are all those that qualify as "single" regardless of the overall apartment size. UC Berkeley, Berkeley Housing, Rates, Academic Year 2023–24 Projected Rates for Apartment Contracts, accessed on February 28, 2023. https://housing.berkeley.edu/rates-contracts-policies/rates/#apartment-contracts; The United States Department of Housing and Urban Development (HUD), Office of Policy Development and Research, Datasets, Fair Market Rents (40th Percentile Rents), accessed March 3, 2023. https://www.huduser.gov/portal/datasets/fmr.html

[25] Auditor of the State of California, "State Surplus Property: The State Should Use its Available Property More Effectively to Help Alleviate the Affordable Housing Crisis," March 2022. https://www.auditor.ca.gov/pdfs/reports/2021-114.pdf

[26] Regents of the University of California, Materials for the Joint Meeting of the Academic and Student Affairs Committee & Finance and Capital Strategies Committee, Item J2, "Strategic Campus Overview, San Diego Campus," November 17, 2022. https://regents.universityofcalifornia.edu/regmeet/nov22/j2.pdf; UC San Diego, Blink, Real Estate, Science Research Park, Updated November 28, 2022. https://blink.ucsd.edu/facilities/real-estate/science-research-park.html

[27] James Aley, "The Heart of Silicon Valley: Why Stanford – the Nexus of Capital, High Technology, and Brainpower – is the Intellectual Incubator for the Digital Age," CNN Money, July 7, 1997. https://money.cnn.com/magazines/fortune/fortune_archive/1997/07/07/228653/; Justine Marcus, "Disruption in Silicon Valley - the Impacts of Displacement on Residents' Lives," Urban Displacement Project, October 12, 2018. https://www.urbandisplacement.org/blog/disruption-in-silicon-valley-the-impacts-of-displacement-on-residents-lives/; Adam Brinkow, "Silicon Valley Has the Highest Housing Costs in the U.S.," *Curbed San Francisco*, February 19, 2019. https://sf.curbed.com/2019/2/19/18229922/silicon-valley-index-2019-housing-gentrification-wealth-gap

[28] Based on gross asset value. Regents of the University of California, Meeting of the Investments Committee, March 16, 2023. Remarks from Chief Investment Officer Jagdeep Singh Bachher during discussion of Item I2: "UC Investments Real Estate Strategy." https://regents.universityofcalifornia.edu/regmeet/mar23/i2.pdf

[29] The Hilltop Apartments, Apartment Finder, accessed on March 22, 2023. https://www.apartmentfinder.com/California/Santa-Cruz-Apartments/The-Hilltop-Apartments-14pt9b4; The Durant (new), Monthly Rent, Apartments.com, accessed on March 22, 2023. https://www.apartments.com/the-durant-new-berkeley-ca/00cs0t2/; HUD, Fair Market Rents (40th Percentile Rents).

[30] Regents of the University of California, Materials for the Meeting of the Investments Committee, Item I2, "UC Investments Real Estate Strategy, " March 16, 2023. https://regents.universityofcalifornia.edu/regmeet/mar23/i2.pdf

[31] Private Equity Stakeholder Group, "Private Equity Firms Now Rank Among the Largest Owners of US Subsidized Affordable Housing Properties," August 2022. https://pestakeholder.org/news/private-equity-firms-now-rank-among-the-largest-owners-of-us-subsidized-affordable-housing-properties/; Blackstone, "Blackstone Funds Complete $13 Billion Acquisition of American Campus Communities," August 9, 2022. https://www.blackstone.com/news/press/blackstone-funds-complete-13-billion-acquisition-of-american-campus-communities/; Blackstone, "UC Investments to Invest Another $500 Million in BREIT Market Shares," January 25, 2023. https://www.blackstone.com/news/press/uc-investments-to-invest-additional-500-million-in-breit-common-shares/

[32] Letter from Surya Deva and Leilani Farha in their capacity as the United Nations Special Rapporteur on the right to adequate housing and the Working Group on the issue of human rights and transnational corporations and other business enterprises, pursuant to Human Rights Council Resolutions 34/9 and 35/7 to Stephen Schwarzman, CEO of the Blackstone Group, Geneva, Switzerland, March 22, 2019. https://spcommreports.ohchr.org/TMResultsBase/DownLoadPublicCommunicationFile?gId=24493

[33] Jordan Ash, "Blackstone Comes to Collect: How America's Largest Landlord and Wall Street's Highest Paid CEO Are Jacking Up Rents and Ramping Up Evictions," Private Equity Stakeholder Project, March 2023. https://pestakeholder.org/wp-content/uploads/2023/03/PESP_Report_Blackstone_March2023_v4.pdf

[34] Robert Davis, "Blackstone is Stepping Up Evictions of Hundreds of Tenants Across the US as a Top Exec Vows 'Cash-Flow Growth,'" *Business Insider*, February 1, 2023. https://www.businessinsider.com/blackstone-increases-evictions-as-exec-predicts-cash-flow-growth-2023-1

[35] University of California, UC HR and Payroll System, UCPath: Payroll data for October 2022.

[36] Academic workers, such as those involved in teaching and academic research, have a variety of appointment types and are excluded from these figures. If they were included, they would constitute less than eight percent of total full-time equivalents earning less than $25 per hour.

[37] The growth in outsourcing was disclosed in an annual report mandated by UC collective bargaining agreements. Litigation is initiated when there are allegations that outsourced workers were not paid the equivalent wages and benefits of UC workers performing the same work. For example, AFSCME obtained records from UCLA Medical Center for a single vendor showing 136 custodians were underpaid. The University has taken the legal position that it has no reason to believe wage violations occurred. In another example, AFSCME obtained, through litigation, invoices showing contracted security guards at UCSF were underpaid.

[38] Non-academic student employment positions are predominantly filled by undergraduates, but any student registered at least half-time is eligible. There are numerous student titles but roughly 90 percent of these non-academic workers are employed in the "Student Assistant" series. An analysis of non-academic student workers' home departments in UC payroll data reveals that housing and dining services are where the bulk of these students work systemwide. Similarly, a study of undergraduate student workers at UCLA, California State University campuses and Community Colleges in Los Angeles County found that students primarily worked in service and frontline jobs unrelated to their future work or long-term careers. Sophia Ángeles, Mindy Chen, Jennifer Galvez, Janna Shadduck-Hernández, Preeti Sharma, Deja Thomas, Saba Waheed, and Michele Wong, "Unseen Costs: The Experiences of Workers and Learners in Los Angeles County," UCLA Labor Center, 2020. https://www.labor.ucla.edu/wp-content/uploads/2020/06/UNSEEN-COSTS-6.22.2020.pdf

[39] University of California Office of the President, Annual Institutional Financial Aid Programs, Report to the Legislature Pursuant to Education Code Section 66021.1, March 2023. https://www.ucop.edu/operating-budget/_files/legreports/2022-23/uc_institutional_financial_aid_programs_legislative_report_bap-995.pdf; A study found most undergraduate student workers in Los Angeles County worked to cover basic living expenses such as rent or food. However, nearly two-thirds were late or missed payments altogether. Sophia Ángeles, Mindy Chen, Jennifer Galvez, Janna Shadduck-Hernández, Preeti Sharma, Deja Thomas, Saba Waheed, and Michele Wong, "Unseen Costs: The Experiences of Workers and Learners in Los Angeles County."

[40] University of California, Information Center, UC Workforce Diversity, Updated July 29, 2022. https://universityofcalifornia.edu/about-us/information-center/uc-workforce-diversity; University of California, UC Fall Enrollment at a Glance, Updated March 3, 2023. https://universityofcalifornia.edu/about-us/information-center/fall-enrollment-glance

[41] Previous research suggests that Black workers are concentrated in the lowest-paying titles but remain at their jobs longer compared to other racial groups. API workers are concentrated in the most expensive UC locations, which is reflected in systemwide wage rates. AFSCME Local 3299, "Pioneering Inequality:

Race, Gender, and Income Disparities at the University of California," April 2018. https://afscme3299.org/wp-content/uploads/2020/01/Pioneering-Inequality_WhitePaper.pdf; AFSCME Local 3299, "Limitations on Career Advancement for Black and Latina/Latino Workers at the University of California," October 2018. https://afscme3299.org/wp-content/uploads/2020/01/Limitations-On-Career-Advancement.pdf

42 "Other" includes American Indian and multi-racial non-Hispanic. Unknowns have been removed. University of California, UC Workforce Diversity; UC Office of the President, Membership and Demographic Data for AFSCME Bargaining Units, October 2022.

43 University of California, Payroll data for October 2022.

44 Ibid.

45 Madeline Park, "The Plight of the HDH Worker," *The University of California San Diego Guardian*, January 27, 2019. https://ucsdguardian.org/2019/01/27/plight-hdh-worker/

46 "UC expects that a typical student will work part-time (10-20 hours per week) during the school year, and full-time during the summer." University of California, Jobs & Work Study, accessed on February 28, 2023. https://admission.universityofcalifornia.edu/tuition-financial-aid/types-of-aid/jobs-and-work-study.html; Benefits Eligibility: Student employees may become eligible for Core Benefits if they work equal to or greater than 75 percent FTE time for three (3) months or more. Sick Leave Accrual: Student employees may become eligible for sick leave accrual if they work a total of 50 percent FTE in a monthly or quadri-weekly cycle depending on their exemption status calculated by the time and attendance system. University of California, UC Irvine Human Resources, UCI's Non-Academic Student Employee Guidelines, accessed on February 28, 2023. https://www.hr.uci.edu/partnership/totalrewards/files/UCI-Student-Employee-Guidelines.pdf

47 Julia Ann Easley, "Campus Gets Creative to Find Student Employees," UC Davis, October 12, 2021. https://www.ucdavis.edu/news/campus-gets-creative-find-student-employees

48 UC Corporate Personnel System, October 2017.

49 State of California, California Consumer Price Index Chart (1955-2022).

50 For example, shortly after implementation of the FW/FW plan, UCLA student workers at dining halls circulated a petition to be paid the same as UC career service workers they worked alongside. Catherine Liberty Feliciano, "Student Demands Equal Pay for Full-Time and Student Workers, *Daily Bruin*, August 21 2016. https://dailybruin.com/2016/08/21/student-demands-equal-pay-for-full-time-and-student-workers; Less than a year later, undergraduate dining hall workers at UC Berkeley staged a walkout over wages and other issue. Kate Tinney, "Undergraduate Workers Union Holds a Panel After Demands Not Met," *The Daily Californian*, March 9, 2017. https://www.dailycal.org/2017/03/09/undergraduate-workers-union-holds-panel-demands-not-met; In the Spring of 2020, undergraduate Botanical Garden workers at UC Riverside earning the state minimum wage also circulated a petition and sought to meet with administrators for a pay increase. Haru Change, "UCR Botanical Garden Workers Demand Fair Minimum Wage," *The Highlander*, April 20, 2022. https://www.highlandernews.org/84251/ucr-botanical-garden-workers-demand-fair-minimum-wage/

51 The last negotiated across-the-board wage increases prior to the existing collective bargaining agreements for these two AFSCME bargaining units were October 2016 for the Service (SX) Unit and April 2017 for the Patient Care Technical (EX) Unit.

52 The erosion of purchasing power for service and patient care workers is calculated by comparing negotiated across-the-board wage increases against California CPI-W for the period of February 2021 through December 2022. State of California, California Consumer Price Index chart (1955-2023); On April 14, 2023, while this report was in its final stages, the State of California's Department of Industrial Relations released the California Consumer Price Index for February 2023. Between February 2021 and February 2023, consumer prices in California rose 13 percent. Were we to extend our analysis through to February 2023, we would observe that the real wages of UC's frontline service and patient care workers have declined by 6 percent.

53 Campuses follow policies adopted by the UC Regents in establishing minimum wage rates. University of California, "Policy PPSM-30: Compensation," last amended January 1, 2023. https://policy.ucop.edu/doc/4010400/PPSM-30; University of California, Corporate Title Code System Lookup, TCS Inquiry, accessed February 28, 2023. https://tcs.ucop.edu/tcs/jsp/homePage.htm

54 The same methodology used to calculate the erosion of purchasing power for service and patient care workers is used to evaluate the erosion in purchasing power of the minimum wage rates paid to unrepresented student workers at campus locations. The two main sources to identify student minimum rates are university-wide payroll data and the university's title code system lookup website. Where available, this information was supplemented with campus-specific websites. State of California, California Consumer Price Index chart (1955-2023); UC Corporate Personnel System, October 2020; UC Corporate Personnel System, October 2021; University of California, Payroll data for October 2022; University of California, Corporate Title Code System Lookup; University of California Davis, Human Resources, "Minimum Wage Increase for Student Assistants Effective January 1, 2021," November 24, 2020. https://tcs.ucop.edu/tcs/jsp/homePage.htm; University of California Davis, Human Resources, "Minimum Wage Increase for Student Assistants Effective January 1, 2023," December 8, 2022. https://hr.ucdavis.edu/news/minimum-wage-increase-student-assistants; University of California Riverside, UC Riverside Career Center, accessed February 28, 2023. https://careers.ucr.edu/employers/employer-resources; University of California Riverside, Student On-Campus Employment Guidelines, accessed February 28, 2023. https://hr.ucr.edu/media/11801/download?attachment; University of California, Berkeley People & Culture, Compensation & Benefits, Non-Represented. https://hr.berkeley.edu/compensation-benefits/compensation/salary-and-pay/non-represented; University of California Los Angeles, Campus Human Resources, Student (ST) Salary Structure 2020, accessed February 28, 2023. https://chr.ucla.edu/hr-administration/compensation-and-classification/student-salary-structure; UC San Diego, Career Center, About On-Campus Employment, accessed February 28, 2023. https://career.ucsd.edu/jobs-experience/student-employment/on-campus/index.html#:~:text=If%20you%20want%20to%20recieve,functions%20and%20the%20STDT%20classification; UC San Diego, Student Grades, January 1, 2021. https://blink.ucsd.edu/_files/studentrates2021.pdf

55 See endnotes 57-60.

56 This chart tracks the three percent across-the-board wage increase for service workers implemented in both October 2021 and October 2022. For patient care workers, similar wage increases were implemented in April of each of these two years. Despite the difference in implementation dates, the impact of inflation on real wages is the same for workers in both bargaining units.

57 As discussed in endnote 52, were we to use the newly-released CPI data to extend our analysis through to February 2023, we would observe that the real minimum wage at these UC campuses has decreased by two percent since February 2021.

58 If we were to extend our analysis through to February 2023, the real minimum wage at UC Berkeley has decreased by over six percent since February 2021.

59 Extending our analysis through to February 2023, we would observe that the purchasing power of the UCLA minimum wage has eroded by over four percent since February 2021.

60 UC San Diego increased its minimum wage from $15 per hour to $16.25 in January 2023 to mirror the increase to the City of San Diego's minimum wage as of January 1, 2023. San Diego pegs its minimum wage to account for the prior year's increase in the cost of living. Given that UC San Diego chooses to follow the City's minimum wage law, UC San Diego is the only undergraduate campus where – between February 2021 and February 2023 – the minimum wage has kept up with inflation.

[61] Kristie Engemann, "The Fed's Inflation Target: Why 2 Percent," Federal Reserve Bank of St. Louis, January 16, 2019. https://www.stlouisfed.org/open-vault/2019/january/fed-inflation-target-2-percent; Jeanna Smialek, "Inflation Is Cooling, Leaving America Asking: What Comes Next?" *New York Times*, January 23, 2023. https://www.nytimes.com/2023/01/23/business/economy/inflation-turning-point.html; Linette Lopez, "'We haven't Left the Bubble,'" *Business Insider,* February 23, 2023. https://www.businessinsider.com/stock-market-crash-coming-wall-street-top-investors-warn-2023-2; Dan Burrows, "January CPI Report: What the Experts Are Saying About Inflation," *Kiplinger,* February 14, 2023. https://www.kiplinger.com/investing/january-cpi-report-what-the-experts-are-saying-about-inflation; Jeanna Smialek, "Inflations Cools Notably, But It's a Long Road Back to Normal," April 12, 2023. https://www.nytimes.com/2023/04/12/business/inflation-fed-rates.html

[62] Lauren Aratani, "US Inflation at 5%, the Lowest It Has Been Since 2021," *The Guardian, April 12, 2023. https://www.theguardian.com/business/2023/apr/12/cpi-inflation-rate-march-prices-fed*

[63] See, for example: Steven Ross Johnson, "Staff Shortages Choking U.S. Health Care System," *U.S. News and World Report,* July 28, 2022, https://www.usnews.com/news/health-news/articles/2022-07-28/staff-shortages-choking-u-s-health-care-system; The National League of Cities, "The Municipal Workforce Through the Pandemic: Where Are We Now?," accessed April 14, 2023. https://www.nlc.org/resource/the-municipal-workforce-through-the-pandemic-where-are-we-now/; Mark Lieberman, "No Bus Drivers, Custodians, or Subs. What's Really Behind Schools' Staffing Shortages?," *Education Week,* September 20, 2021. https://www.edweek.org/leadership/no-bus-drivers-custodians-or-subs-whats-really-behind-schools-staffing-shortages/2021/09

[64] "The mental and physical toll of the pandemic resulted in high turnover rates, exacerbating existing retention and recruitment challenges in the industry. The low wages paid to health care support workers, direct care workers, and health care service workers in California means they struggle to meet their basic needs; these low wages also significantly contribute to the difficulty in maintaining adequate health care staffing across the state. Staffing shortages impact patient care, leading to increased wait times, longer hospital stays, and inadequate treatment of chronic illnesses." Enrique Lopezlira and Ken Jacobs, "Proposed Minimum Wage Increase: What it Would Mean for Workers, Patients, and Industry," UC Berkeley Labor Center, April 2023. https://laborcenter.berkeley.edu/wp-content/uploads/2023/04/Proposed-health-care-minimum-wage-increase.pdf

[65] Abha Bhattarai and Maggie Penman, "Restaurants Can't Find Workers Because They've Found Better Jobs," *The Washington Post,* February 3, 2023. https://www.washingtonpost.com/business/2023/02/03/worker-shortage-restaurants-hotels-economy/

[66] Regents of the University of California, Joint Meeting of the Academic and Student Affairs Committee & Finance and Capital Strategies Committee, January 18, 2023. Remarks made by Executive Vice President & Chief Financial Officer Nathan Brostom during discussion on Item J1: "Overview of the Multi-Year Compact Between the Governor and UC." https://regents.universityofcalifornia.edu/regmeet/jan23/joint.pdf

[67] Regents of the University of California, Finance and Capital Strategies Committee, November 16, 2022. Remarks made by Staff Advisor Designate to the Regents & Assistant Vice Chancellor and Chief Operating Officer of UC Berkeley's Division of Student Affairs Jo Mackness during discussion of Item F8: "University of California's 2023-24 Budget for Current Operations and State Request for Capital Projects." https://regents.universityofcalifornia.edu/regmeet/nov22/fin.pdf

[68] From March 1, 2023, testimony during an arbitration hearing over outsourcing of UCLA Health service titles. Systemwide No.: LA-SX2513-21; Campus No.: MC-GR 21-06 SX.

[69] Enrique Lopezlira and Ken Jacobs, "Proposed Minimum Wage Increase: What it Would Mean for Workers, Patients, and Industry."

[70] Martine Paris, "These Are the Most Expensive US Cities for Renters, With Some Prices Up 41%," *Bloomberg News*, July 26, 2022. https://www.bloomberg.com/news/articles/2022-07-26/these-are-the-most-expensive-cities-for-renters-led-by-nyc-and-sf

[71] HUD does not publish statewide Fair Market Rents. Similar to the methodology used by the National Low Income Housing Coalition, the 2023 statewide Fair Market Rents were found by averaging Fair Market Rents for all counties in California and weighting by the total number of renter-occupied housing units in each county, according to 2017-2021 ACS data. National Low Income Housing Coalition, "Out of Reach: The High Cost of Housing," accessed on February 28, 2022. https://nlihc.org/oor; HUD, Fair Market Rents (40th Percentile Rents); U.S. Census Bureau, 2017-2021 American Community Survey, Table B25003: Tenure. https://data.census.gov/table?q=United+States&t=Owner/Renter+(Tenure)&g=0100000US_0400000US06,06$0500000&d=ACS+5-Year+Estimates+Detailed+Tables&tid=ACSDT5Y2021.B25003&tp=true

[72] Masterson, Daniel. "University of California PhD Pay is Among the Lowest in the U.S. After Accounting for Cost of Living," Research Note, November 29, 2022. https://cpb-us-w2.wpmucdn.com/campuspress.yale.edu/dist/a/487/files/2022/11/Masterson_PhD_stipends_v1_nov29_2022.pdf

[73] The Zillow Observed Rent Index (ZORI) measures changes in asking rent over time across a given region for units of all sizes, and can capture the current dynamics of market rate rent inflation. ZORI does not have December 2022 rental data for Sacramento County. The chart instead reflects November 2022 rental data for Sacramento County. Zillow, Zillow Research, Housing Data, accessed on March 2, 2023. https://www.zillow.com/research/data

[74] U.S. Census Bureau, "2020 Population and Housing State Data," August 12, 2021. https://www.census.gov/library/visualizations/interactive/2020-population-and-housing-state-data.html

[75] Sarah Parvini and Hayley Smith, "Goodbye, L.A. and San Francisco. Hello, Riverside and Central Valley. California Moves East," *Los Angeles Times,* April 27, 2022. https://www.latimes.com/california/story/2022-04-27/california-los-angeles-san-francisco-population-decline

[76] Jon Marcus, "Small Cities Are a Big Draw for Remote Workers During the Pandemic," *National Public Radio*, November 16, 2020. https://www.npr.org/2020/11/16/931400786/small-cities-are-a-big-draw-for-remote-workers-during-the-pandemic; Regents of the University of California, Materials for the Joint Meeting of the Academic and Student Affairs Committee and the Finance and Capital Strategies Committee, Item J2: "Strategic Campus Overview, Santa Cruz Campus," March 17, 2022. https://regents.universityofcalifornia.edu/regmeet/mar22/j2.pdf; Regents of the University of California, "Strategic Campus Overview, San Diego Campus."

[77] Jake Flanagin, "Rent Prices Across SoCal Expected to Surge Soon: Report," *KNX News,* November 9, 2021. https://www.audacy.com/knxnews/news/local/rent-prices-across-socal-expected-to-surge-soon-report

[78] University of California Admissions, Admissions, Tuition & Cost of Attendance, Estimated Average Costs for California Residents and Non-Residents, 2022-2023, accessed on March 16, 2022. https://admission.universityofcalifornia.edu/tuition-financial-aid/tuition-cost-of-attendance/

[79] Room and Board costs for campuses are provided by each campus in their estimation of total costs of attendance for the 2022-2023 academic year, except for UC Irvine, which reflects the room and board costs for the 2023-2024 academic year. The monthly estimates assume 9-month leases. Room and board costs reflect the cost of housing for on-campus residence halls and meal plans, which students are required to purchase. HUD, Fair Market Rents (40th Percentile Rents); UC Merced, Financial Aid, Cost of Attendance, Undergraduates Who First Enroll in Fall 2022, Food & Housing, accessed on March 14, 2023. https://financialaid.ucmerced.edu/cost-attendance; UC Berkeley, Berkeley Financial Aid & Scholarships, Student Budgets (Cost of Attendance), Continuing Students Who Started in the 2022-2023 Academic Year, Living Expenses, accessed on March 14, 2023. https://financialaid.berkeley.edu/how-aid-works/student-budgets-cost-of-attendance/; UC Irvine Office of Undergraduate Admissions, Estimated Budgets for 2023-24 New Undergraduate Students, Housing

and Food, accessed March 14, 2023. https://www.admissions.uci.edu/afford/index.php; UC Santa Cruz, Financial Aid & Scholarships, Undergraduate Students Cost to Attend, 2022-23 Undergraduate Budgets for Entering students - Fall, Winter, & Spring Terms, accessed March 14, 2023. https://financialaid.ucsc.edu/cost-to-attend/2022-23-undergraduate-costs.html; UC Riverside, The Office of Financial Aid, Cost of Attending UC Riverside, 2022-23 Estimated Costs for California Resident Entering First Year Undergraduates, accessed March 14, 2023. https://financialaid.ucr.edu/cost#first_year_undergraduates_ca_residents_and_ab540eligible; UC Davis, Undergraduate 2022-23 estimated cost of attendance, accessed March 14, 2023. https://www.ucdavis.edu/admissions/cost; UCLA Undergraduate Admission, Tuition and Fees, 2022–2023 Estimated Undergraduate Student Budget, Housing & Meals, accessed March 14, 2023. https://admission.ucla.edu/tuition-aid/tuition-fees; UC San Diego, Financial Aid & Scholarships, Undergraduates Fall 2022 Cohort, Estimated Basic Cost of Attendance, Housing and Meals, accessed on March 14, 2023. https://fas.ucsd.edu/cost-of-attendance/undergraduates/tuition-stability-plan/undergraduates/undergraduates_2022-2023.html; UC Santa Barbara, Office of Financial Aid and Scholarships, Academic Year 2022-2023, California Resident & Non-Resident, University Residence Halls, Room and Board, accessed on March 14, 2023. https://www.finaid.ucsb.edu/cost-of-attendance

[80] "A new analysis of university room-and-board costs by this news organization shows the price of living on campus is often out-of-whack with local housing costs and is becoming one of the prime factors in the runaway cost of attending a four-year college." Emily Deruy, "UC Merced Pricier than UCLA? The Surprising Cost to Live on Campus," *The Mercury News*, June 4, 2017. https://www.mercurynews.com/2017/06/04/it-will-cost-more-to-live-at-uc-merced-than-at-ucla-next-year/

[81] HUD Fair Market Rent is $1,017 per month for a one-bedroom in the local housing market.

[82] University of California Merced, Newsroom, "Merced 2020 Project Wraps; Stands as Largest Public-Private Partnership Completed in U.S.," August 6, 2020. https://news.ucmerced.edu/news/2020/merced-2020-project-wraps-stands-largest-public-private-partnership-completed-us; California State Assembly Subcommittee No.2 on Education Finance, Informational Hearing, November 8, 2021. Remarks by UC San Diego Chancellor Pradeep Khosla; Regents of the University of California, Finance and Capital Strategies Committee, March 15, 2017. Remarks made by UC San Francisco Associate Vice Chancellor Clare Shinnerl during discussion on Item F3: "Approval of Budget and External Financing, Minnesota Street Graduate Student and Trainee Housing, San Francisco Campus." https://regents.universityofcalifornia.edu/regmeet/mar17/f3.pdf

[83] Amy K. Glasmeier, 2023 Living Wage Calculator, Massachusetts Institute of Technology, accessed April 6, 2023. https://livingwage.mit.edu/

[84] Similar to the methodology used by the National Low Income Housing Coalition (NLIHC), each campus's housing wage is calculated by multiplying the HUD 2023 Fair Market Rent for the campus's Metropolitan Statistical Area or HUD Metro Area, whichever is applicable, by 12 in order to obtain an annual cost of rental housing. The annual cost is divided by 30 percent to determine annual income needed to afford rent at the 30 percent affordability threshold. The annual wage is then converted to a full-time hourly housing wage. All housing wages assume single-earner households. HUD, Fair Market Rents (40th Percentile Rents).

[85] The 2023 statewide one-bedroom housing wage of $33.84 is calculated using the same methodology cited in endnote 84. AFSCME members' actual wages are derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, October 2022; HUD, Fair Market Rents (40th Percentile Rents); U.S. Census Bureau, Table B25003: Tenure.

[86] HUD, CHAS: Background; AFSCME members' actual wages are derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, October 2022.

[87] There are also concerns that the build-out of the new UC Davis Aggie Square campus will drive up housing costs. Elisha Machado, "New Future in Works for Oak Park as Aggie Square Project Continues," ABC 10, accessed April 6, 2023. https://www.abc10.com/article/news/local/oak-park-aggie-square/103-73a6d08e-2544-4dec-ad38-5054075a509d

[88] HUD, Fair Market Rents (40th Percentile Rents); AFSCME members' actual wages are derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, August 2017.

[89] HUD, Fair Market Rents (40th Percentile Rents); AFSCME members' actual wages derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, October 2022.

[90] Regents of the University of California, Materials for the Academic and Student Affairs Committee Meeting, Item A4: "Implementing the CCC-UC Transfer Force Recommendations Two and Six at the University of California," January 19, 2023. https://regents.universityofcalifornia.edu/regmeet/jan23/a4.pdf

[91] Regents of the University of California, Special Committee on Basic Needs, "The University of California's Next Phase of Improving Student Basic Needs," November 2020. https://regents.universityofcalifornia.edu/regmeet/nov20/s1attach.pdf; Regents of the University of California, Materials for the Joint Meeting of the Academic and Student Affairs Committee and the Finance and Capital Strategies Committee, Item B1: "University of California Basic Needs Annual Report, 2021–22," March 15, 2023. https://regents.universityofcalifornia.edu/regmeet/mar23/b1.pdf

[92] University of California, Information Center, Student basic needs, updated March 28, 2023. https://www.universityofcalifornia.edu/about-us/information-center/student-basic-needs

[93] Sophia Ángeles, Mindy Chen, Jennifer Galvez, Janna Shadduck-Hernández, Preeti Sharma, Deja Thomas, Saba Waheed, and Michele Wong, "Unseen Costs: The Experiences of Workers and Learners in Los Angeles County."

[94] Peter Drier, Megan Bomba, and Rosa Romero, "Food Insecurity Among University of California Employees," Urban & Environmental Policy Institute, Occidental College, October 2016. https://documents.latimes.com/UC-workers-food-insecurity/

[95] UAW 5810, UAW 2865, and SRU-UAW, "Mansions for Chancellors, Rent Burden for Workers: How University of California Leaders Are Worsening the Housing Crisis for Academic Workers, and What Must be Done," accessed on March 2, 2023. https://www.fairucnow.org/wp-content/uploads/2022/11/UAW-housing-paper.pdf

[96] "University of California Workers End Strike After Approving Contracts," *The Associated Press*, December 24, 2022. https://www.npr.org/2022/12/24/1145415255/university-of-california-end-strike-approve-contract

[97] Los Angeles, Downey, Monterey Park, Lynwood, and Long Beach adopted ordinances while Inglewood passed a ballot measure. Rachel Bluth, "Labor Tries City-by-City Push for $25 Minimum Wage at Private Medical Facilities," *California Healthline*, https://californiahealthline.org/news/article/union-campaign-minimum-wage-private-health-care-facilities; Alfredo Santana, "Lynwood City Council Gives Health Workers $25 an Hour," *Los Angeles Wave Newspapers*, March 2, 2023. https://wavepublication.com/lynwood-city-council-gives-health-workers-25-an-hour/

[98] Senate Bill 525, 2023-2024 Regular Session (California 2023); Samantha Young, "California Democrats Propose $25 Minimum Wage for Health Workers," *Los Angeles Times,* February 15, 2023. https://www.latimes.com/california/story/2023-02-15/california-democrats-propose-25-minimum-wage-for-health-workers

[99] HUD, Fair Market Rents (40th Percentile Rents); AFSCME-represented members' actual wages derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, August 2017.

[100] HUD, Fair Market Rents (40th Percentile Rents); AFSCME-represented members' actual wages derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, October 2022.

[101] HUD, Fair Market Rents (40th Percentile Rents); AFSCME-represented members' actual wages derived from pay rate data. UC Office of the President, Membership File for AFSCME Bargaining Units, October 2022; U.S. Census Bureau, Table B25003: Tenure.

[102] Regents of the University of California, "The University of California's Next Phase of Improving Student Basic Needs;" Regents of the University of California, "Overview of University-Provided Student Housing."

[103] University of California, Tuition and Costs of Attendance; HUD, Fair Market Rents (40th Percentile Rents); University of California, Payroll data for October 2022; HUD, CHAS: Background.

[104] A nonresident student would need to work nearly 90 hours per week for the entire year, or 115 hours per week in an academic year. University of California, Tuition and Costs of Attendance.

[105] University of California Office of the President, Report to the Legislature Pursuant to Education Code Section 66021.1.

[106] Assuming an academic year has 36 weeks, students would need to work more than 17 hours a week to pay the average systemwide "self-help" contribution if they earned $16 per hour, compared to only 11 hours a week if their minimum wage was $25 per hour; Ibid.

[107] University of California, Budget for Current Operations, Context for Budget Request, 2023-24, accessed March 2, 2023. https://www.ucop.edu/operating-budget/_files/rbudget/2023-24-budget-detail.pdf; University of California, Information Center, UC Employee Headcount, Updated October 23, 2020. https://www.universityofcalifornia.edu/about-us/information-center/uc-employee-headcount; University of California, Annual Financial Report 21/22, Facts in Brief, accessed March 2, 2023. https://finreports.universityofcalifornia.edu/index.php?file=/21-22/annual-financial-report-2022.pdf; University of California, Medical Centers Report 21/22, Operating Statistics, accessed March 2, 2023. https://finreports.universityofcalifornia.edu/index.php?file=/med_ctr/21-22/medical-center-reports-2022.pdf

[108] University of California, Information Center, UC Employee Headcount, Updated October 23, 2020. https://www.universityofcalifornia.edu/about-us/information-center/uc-employee-headcount; Beacon Economics, "University of California: Systemwide Economic, Fiscal, and Social Impact Analysis," January 2021. https://universityofcalifornia.edu/sites/default/files/economic-impact-report-2021.pdf

[109] AFSCME analysis of UC payroll data. In October 2022, UC paid out $1.6 billion in salary payments to UC employees, just $83 million (or 5 percent) went to those earning less than $25 per hour.

[110] University of California, Payroll data for October 2022; University of California, Budget for Current Operations, Context for Budget Request, 2023-24, accessed March 2, 2023. https://www.ucop.edu/operating-budget/_files/rbudget/2023-24-budget-detail.pdf

[111] Frank Manzo and Robert Bruno, "The Impact of Service Contract Prevailing Wage Laws in the United States and Illinois: Effects on the Labor Market Outcomes of Custodial Workers," Illinois Economic Policy Institute and the University of Illinois, January 13, 2022. https://illinoisepi.files.wordpress.com/2022/01/ilepi-pmcr-service-contract-prevailing-wages-final.pdf

[112] Regents of the University of California, Materials for the Governance Committee, Item G1: "Approval of Market-Based Salary Adjustments for Certain level One Senior Management Group Employees as Discussed in Closed Session," January 19, 2022. https://regents.universityofcalifornia.edu/regmeet/jan22/g1.pdf

[113] Regents of the University of California, Materials for a Special Meeting, Item B1: "Approval of Compensation for a Chancellor," April 6, 2023. https://regents.universityofcalifornia.edu/regmeet/jan22/g1.pdf; Regents of the University of California, Materials for a Special Meeting, Item B2: "Amendment of Regents Policy 5309: Policy on the University of California Employee Housing Assistance Program and Regents Policy 7708: University-Provided Housing," April 6, 2023. https://regents.universityofcalifornia.edu/regmeet/april23/b2.pdf

[114] HUD, Fair Market Rents (40th Percentile Rents)ersity of California, Payroll data for October 2022.

[115] Regents of the University of California, "Amendment of Regents Policy 5309: Policy on the University of California Employee Housing Assistance Program and Regents Policy 7708: University-Provided Housing."

[116] Olivia Branan, "UC Buys $6.5M Berkeley Home for its President," The Daily Californian, April 13, 2022. https://dailycal.org/2022/04/13/uc-buys-6-5m-berkeley-home-for-its-president

[117] Letter from President of the University of California Michael V. Drake to UC Chancellors, LBNL Director Witherell, and UC ANR Vice President Humiston, Oakland, CA, May 6, 2022. https://www.ucop.edu/academic-personnel-programs/_files/2022-23/2022-05-06-president-drake-letter-updated.pdf; UC Davis, Human Resources, Salary Increase for Policy-Covered (Non-Represented) Staff, June 3, 2021. https://hr.ucdavis.edu/news/salary-increase-policy-covered-non-represented-staff

[118] The 4.6 percent increase will be contingent upon approval of the California State budget. University of California, Budget for Current Operations 2023–24 Summary of the Budget Request as Presented to the Regents for Approval, accessed February 28, 2023. https://www.ucop.edu/operating-budget/_files/rbudget/2023-24-budget-summary.pdf; University of California, UC Town Hall via Zoom with President Drake, February 24, 2023. https://ucnet.universityofcalifornia.edu/news/2023/02/tune-into-the-town-hall-with-president-drake.html

[119] University of California, Press Room, "Joint UC-Teamsters Local 2010 Statement on New Multiyear Contract for Clerical Employees and Other Administrative Staff," October 24, 2022. https://www.universityofcalifornia.edu/press-room/joint-uc-teamsters-local-2010-statement-new-multiyear-contract-clerical-employees-and

[120] Cathie Anderson, "Thousands of California Nurses Get 16% Wage Increase in New Contract with UC Hospitals," *The Sacramento Bee*, July 11, 2022. https://amp.sanluisobispo.com/news/california/article263358198.html

[121] UCLA discussed this wage adjustment mechanism on March 1, 2022 during arbitration proceedings over its outsourcing of dining and catering jobs. UC Irvine formally agreed in February 2023 to take measures addressing significant staffing shortages of service workers, including hiring all new food service workers at wages equivalent to three years of job experience and all new cooks at wages equivalent to five years of job experience.

[122] However, payroll records also show some food service workers are hired at UC's minimum wage, further raising pay equity issues.

[123] University of California, UC Town Hall via Zoom with President Drake, February 24, 2023. https://ucnet.universityofcalifornia.edu/news/2023/02/tune-into-the-town-hall-with-president-drake.html

AFSCME 3299

AFSCME LOCAL 3299 ■ 425 15TH ST. ■ OAKLAND, CA 94612 ■ (510) 844-1160 ■ AFSCME3299.ORG