

Northeastern University

Faculty Senate Meeting Minutes

Faculty Senate

October 29, 2001

Faculty Senate meeting minutes: 10/29/2001

John G. Flym Northeastern University

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TO: FACULTY SENATE

FROM: JOHN G. FLYM, SECRETARY, FACULTY SENATE

SUBJECT: MINUTES, 2001-2002 FACULTY SENATE, 29 OCTOBER 2001

Present: (Professors) Aroian, Baclawski, Barnes, Boisse, Bruns, Flym, Fox, Gilbert, Herman, Kane, Levine, Lowndes, Metghalchi, Naylor, Platt, Powers-Lee, Rotella, Rupert, Shafai, Sullivan, Vaughn, Wallin, Wertheim, Willey, Wray (Administrators) Hall, Greene, Meservey, Onan, Pantalone, Putnam, Rigg, Zoloth

Absent: (Professors) Bobcean, Giessen, Gilmore, Hall, Hope, Kelleher (Administrators) Mantella, Pendergast

Convened by Provost Hall at 11:55 a.m.

I. Minutes.

The minutes of the 1 October meeting were approved.

- II. **SAC Report.** Professor Lowndes reported the following.
 - A. The Agenda Committee met once since last week's Senate meeting.
 - B. Staffing and charging of the *Ad Hoc* Committees on Athletics and on Graduate Programs are nearing completion. The *Ad Hoc* Committee on Athletics will look at cost benefits. The *Ad Hoc* Committee on Graduate Programs will address advocacy and stipends for TAs.
 - C. The Agenda Committee has been asked to establish a search committee for Dean of the School of Law.
- III. **Provost's Report.** Provost Hall reported the following.
 - A. Dean Abrams will be stepping down to be with his wife who is ill. A search will be conducted as quickly as possible.
 - B. The Committee on Funding Priorities is moving forward. Requests from the academic side amount to between \$17M and \$20M.
 - C. The first Practice-Oriented Education learning community has good representation and has been working collectively on specific projects and trying to ensure a better understanding of this university. There will be a presentation featuring what they learned at the end of the year.
- IV. **Question and Discussion Time.** As there were no questions, the Senate turned to the next item.
- V. Financial Affairs Committee Preliminary Report on Faculty Salaries. Professor Vaughn moved the following resolutions, and the motion was seconded.

Resolution #1:

BE IT RESOLVED that the Faculty Senate supports the recommendation of the Financial Affairs Committee to seek a 5% merit raise for the 2002-03 academic year based on the expectation of 3% inflation, plus the need for an extra 2% to provide real salary increases for younger faculty.

Resolution #2:

BE IT RESOLVED that, in view of the significant salary shortfall that has developed over the last decade between NU and the average of national category I: private universities, the Faculty Senate supports the recommendation of the Financial Affairs Committee to urge the President and the Board of Trustees to adopt a compensation policy that will move the University to average salary levels at or above those of national category I: private universities. To this end we propose that there be a broadly-based equity raise pool of \$2 million for each of the next three academic years.

Resolution #3:

BE IT RESOLVED that the Faculty Senate supports the recommendation of the Financial Affairs Committee to urge the President to discontinue the bonus plan and to use these funds for raises in base salaries.

The floor was yielded to Professor Born who provided a brief background on the report and resolutions. (The report is appended to these minutes.) He had been chair of the Financial Affairs Committee in 1996, when the budget had to be cut by \$5M and equity raises were delayed. The Senate voted to forgo faculty raises on two conditions, one, that faculty would participate in future budgets, and two, that equity would be revisited and fully funded.

Discussion ensued on the three resolutions.

<u>Motion</u>. Professor Barnes moved to amend by deleting the word "**younger**" in Resolution #1. This was accepted as a friendly amendment.

Motion. Professor Sullivan moved to amend by adding "at least" before "\$2 million" in Resolution #2, and this was accepted as a friendly amendment.

<u>Motion</u>. Professor Sullivan moved to amend by adding "**for faculty**" after "**bonus plan**" in Resolution #3, and this was accepted as a friendly amendment.

<u>Motion</u>. Professor Vaughn moved to divide the question so that the three resolutions could be voted seriatim. There being no objection, the Senate voted.

Vote on Resolution #1: PASSED, 30-0-0.

As passed, Resolution #1 read as follows:

BE IT RESOLVED that the Faculty Senate supports the recommendation of the Financial Affairs Committee to seek a 5% merit raise for the 2002-03 academic year based on the expectation of 3% inflation, plus the need for an extra 2% to provide real salary increases for faculty.

Vote on Resolution #2: PASSED, 30-0-1.

As passed, Resolution #2 read as follows:

BE IT RESOLVED that, in view of the significant salary shortfall that has developed over the last decade between NU and the average of national category I: private universities, the Faculty Senate supports the recommendation of the Financial Affairs Committee to urge the President and the Board of Trustees to adopt a compensation policy that will move the University to average salary levels at or above those of national category I: private universities. To this end we propose that there be a broadly-based equity raise pool of at least \$2 million for each of the next three academic years.

<u>Vote</u> on Resolution #3: PASSED, 27-2-2.

As passed, Resolution #3 read as follows:

BE IT RESOLVED that the Faculty Senate supports the recommendation of the Financial Affairs Committee to urge the President to discontinue the bonus plan for faculty and to use these funds for raises in base salaries.

VI. **Department of Art and Architecture Restructuring Proposal**. Professor Herman moved the following resolution, and the motion was seconded.

BE IT RESOLVED that the Faculty Senate approve the recommendation to divide the Department of Art and Architecture into two separate units, the Department of Architecture and the Department of Visual Arts, as approved by the Arts and Sciences College Council on 22 October 2001.

The floor was yielded to Professor George Thrush, Acting Chair of the Department, who explained that the architectural accreditation process requires that architecture become a separate unit in order to receive final approval from the National Architectural Accreditation Board in their fall 2002 visit.

There being no objection, the Senate moved to a vote.

Vote: PASSED, 31-0-1.

Professor Fox asked what might be done about tuition waivers for faculty dependents that would apply to other institutions. For some faculty it means having to leave Northeastern. Professor Herman noted that this is also a recruitment issue for new hires. Provost Hall agreed to look into the matter and to explore what other institutions are doing.

Adjourned at 1:10 p.m.

Respectfully submitted,

John G. Flym Secretary, Faculty Senate

Appendix to Minute of 29 October 2001

Financial Affairs Committee of the Faculty Senate Preliminary Report on Faculty Salaries October 2001

Jeffery A. Born, Associate Professor of Finance, Chair Kenneth P. Baclawski, Associate Professor of Computer Science Michael T. Vaughn, Professor of Physics Bruce A. Wallin, Associate Professor of Political Science Ronald J. Willey, Professor and Chair, Chemical Engineering

Background

President Freeland put aside his ranking methodology concerns and announced in his *State of the University* address of October of 2000 that NU should strive to be listed among the top 100 private universities in the U.S. News & World Report survey by 2010. When announced, NU was ranked 138th. Since that speech, another 23 schools have been added to the list of national research universities and NU has dropped to 150th in the ranking. Nonetheless, President Freeland re-affirmed his commitment to obtain a top 100 rank in this year's address.

This goal provides a yardstick by which to measure our progress as an institution of higher education. This goal provides a focus to the President's previously announced desire to make NU a nationally recognized, research university with a distinctive practice orientation. In addition, NU is to enhance its student orientation, while not losing sight of its urban setting.

Faculty's role in reaching the Top 100

Our ability to achieve top 100 status will be determined almost exclusively by the performance of the University's tenured and tenure-track faculty. In addition to their ongoing research, teaching, and service responsibilities, University faculty members are currently engaged in a number of strategic initiatives. These include (but are not limited to): increasing the integration of Coop into the classroom and curriculum, converting the curriculum to a semester calendar, and helping to achieve significant improvements in Undergraduate graduation rates.

The ability to attract, develop and retain high quality faculty is mission critical. Our ability to assemble and retain a high quality faculty in Boston, the most competitive education market in the world, is ultimately determined by our compensation policies (broadly defined to include teaching loads, lab and research support, benefit packages, etc.). The most salient element of that policy is salary.

Analysis of 2000/01 Salary Levels

Over the past two decades, FAC of the Faculty Senate have employed a variety of benchmarks to measure the faculty salary performance of Northeastern University. No broad-based average or matchmate provides a perfect basis by which to compare the unique attributes. Nation-wide averages of salary levels draw the bulk of their observations from areas of the country with significantly lower costs of living. Match-mate institutions frequently do not match the level of excellence we hope to attain or they have dramatically different missions (e.g., they are without Coop programs).

Given the time-sensitive nature of Operating Budget construction, it is necessary for us to adopt less than ideal benchmarks. For analysis purposes we will adopt the AAUP average faculty salary by rank data from 2000/01 for Category I (doctoral) Private Universities as a proxy for "market-level" salaries. While this benchmark roughly matches our "quality" aspirations, the bulk of institutions in the sample are located in areas with dramatically lower cost-of-living.

We compare 2000/01 average salaries by rank for Northeastern University against these benchmarks and find our results lacking. If cost-of-living differentials were incorporated into the analysis, our shortfalls would be even larger. The analysis is presented in Table 1.

Table 1: Average Salary By Rank: 2000/01

· ·	Northeastern C	ategory I: Private	NU – Cat I
Full Professor 19,505	\$ 88,129	\$ 107,633	\$-
Associate Professor	\$ 64,360	\$ 70,314	\$- 5,954
Assistant Professor	\$ 58,322	\$ 60,853	\$- 2,531

If one subtracts the Category I: Private University average from Northeastern University's average, one obtains a measure of the University's shortfall (-) or premium (+) by rank. As shown in Table 2, the University's competitive position has significantly eroded. We are pleased to note an important reversal in this long-term trend occurred at the Assistant Professor rank in 2000/01.

Table 2: Shortfall by Rank for selected years

	2000/01	1999/00	1994/95	1989/90	
Full Professor	-19,505	-18,761	-11,590	-	
7,460					
Associate Professor	- 5,954	- 5,461	- 510	- 240	
Assistant Professor	- 2,531	- 3,477	+ 1,210	+2,390	
Total \$ Shortfall	\$6,181,231	\$6,193,309	\$2,790,280	\$1,850,620	

"Increasing dollar shortfalls in an era of ever increasing (average) salaries does not fully reveal the extent of the University's relative decline over the past decade. If one divides NU's average salary by rank by the commensurate Category I: Private University average an index is produced. These results are presented in Table 3. Note that an index figure greater than 100 indicates that NU is "above" the market, an index figure less than 100 indicates that NU is "below" the market.

Table 3: NU average salary/Cat. I: Private average salary, by Rank for selected years

8	2000/01	1999/00	1994/95	1989/90
Full Professor	81.88	81.92	8	36.33
Associate Professor	91.53	91.93	99.09	99.48
Assistant Professor	95.84	94.06	102.55	106.11

The reason for our (virtually) continuous decline is simple – merit and equity raises for Tenured and Tenure-track faculty have lagged behind the market, year in and year out. Table 4 reports near-term (2000/01, the most recent year available from AAUP) and decade-long (1990-2000) results. While the results at the Full and Associate Professor ranks were not good, the policy of making the Assistant Professor rank more competitive was successful.

Table 4: Near-term and Long-term % Change in Average Salary by Rank

	Northea	stern	Category I: Private		
	1999 to 2000	1990 to 2000	1999 to 2000	1990 to 2000	
Full Professor 4.7%	+ 3.7%	+ 3.8%	+ 4.7%	+	
Associate Professor Assistant Professor	+ 3.4% + 5.8%	+ 3.3% + 3.4%	+ 4.7% + 5.1%	+ 4.2% + 4.5%	

Tenured & Tenure-Track Faculty Salaries and the University Budget

The last decade has seen a tremendous change in Northeastern University. We experienced the sharpest decline in enrollments of any national research university in the early 90's. In the short-run, the decline in enrollments produced a need to reduce the level of faculty, staff, and administrative employment. However, since the mid-90's, enrollments have stabilized, but the decline in Tenured & Tenure-track faculty has persisted. Conversely, the numbers of "other" full-time instructional employees have continued to rise (see Table 5).

Table 5: Employment and Budget Figures for Selective Years

Tuble 3. Employment and Budget Figures for Selective Tears				Compound
Rank	1990/91	1995/96	2000/01	Growth Rate
Full Professors	239	238	228	-0.47%
Associate Professors	282	262	239	-1.64%
Assistant Professors	<u>234</u>	<u>149</u>	<u>123</u>	-6.23%
Total Tenured & TT	755	649	590	-2.44%
Other Full-time	80	104	148	+6.35%
Operating Budget	\$234M	\$270M	\$387M (est)	5.17%
Financial Aid	\$ 19M	\$ 36M	\$ 77M (est)	14.96%
Budget - Aid	\$215M	\$234M	\$310M (est)	3.74%
Total Salaries	\$121M	\$126M	\$146M	1.96%
Operating Expenses	\$ 94M	\$108M	\$164M (est)	5.68%
Faculty Salaries	\$43.5M	\$41.5M	\$46.0M	0.54%
Instructional Salaries	\$56.0M	\$56.8M	\$64.9M	1.48%
Other Salaries	\$64.5M	\$69.7M	\$81.5M	2.37%

FacSal/Budget		18.64%		15.35%		11.89%
FacSal/Budget - Aid	20.30%		17.73%		14.84%	
FacSal/Total Salaries	36 13%		32.81%		28 13%	

Thus, even though average salaries have risen at better than 3% per year, the total dollar expenditure on Tenured & Tenure-track salaries has grown at just 0.54% per year during the past decade. During the same period, the University increased reliance on part-time and non-tenure track full-time faculty has caused Instructional salaries to grow at a far more rapid rate (1.48% v. 0.54%) than Tenured & Tenure-track salaries. Staff and administrative salaries during the period have grown at a 2.37% annual rate. However, these growth rates are well below the growth rate in the cost-of-living during the same period (3.2%).

Conversely, the total Operating Budget has risen far more rapidly (5.17%) than the cost-of-living during the past decade. Much of the increase in Operating Budget can be attributed to growth in Financial Aid (\$19 million in 1990/01 to approximately \$77 million in 2000/01 - a 14.96% compound growth rate). In addition, operating expenses (excluding salaries and financial aid) have grown at a 5.68% rate during the past decade.

As a result of the low growth rate in tenured and tenure-track salaries, they have decline from 18.64% of the Operating Budget in 1990 to an estimated 11.89% in 2000. If one excludes financial aid, faculty salaries have declined from 20.30% of the budget in 1990 to 14.84% in 2000. Finally, tenured and tenure-track salaries accounted for 36.15% of all salaries in 1990, but only 28.13% in 2001. In short, virtually every "need" at the University has been funded more completely over the past decade than faculty salaries.

Looking forward - "you get what you pay for"

In the past two decades there has been much published in finance and economics academic literature on "signaling theory." In brief, this theory suggests that talk is cheap and that the way to determine the commitment of management to a particular financial or operating policy is to examine the resources they commit to the policy (relative to competitive policies). Any reasonable analysis of Tenured & Tenure-track faculty salary levels finds them inadequate.

Northeastern cannot achieve its ranking goals without assembling a faculty of commensurate ability. We cannot attract and retain high quality faculty with below market salaries. We must end the de facto policy of making faculty salaries the lowest budgetary priority.

Therefore, we urge the President and Board of Trustees to adopt a compensation policy that will move the University to average salary levels at or above Category I: Private University averages within the next three years (by 2005/06). Such a strategy will help retain and motivate our current faculty and it will help us attract high quality new faculty. These actions will make it possible to achieve desired Top 100 ranking by 2010.

To achieve this end, we recommend that the Merit raise pool amount to a minimum of 5.0% in 2002/03. This rate will likely match the average rise in Category I: Private University salary levels for 2002/03. The 5% figure represents a 2% premium above the expected increase in the cost-of-living. The 2% "real" raise combined with promotional raises, should be sufficient to move an average "new" assistant professor to the average full-professor salary level in a normal fifteen-year career cycle.

In addition, we recommend an Equity raise pool of at least \$2 million for each of the next three years. This will virtually eliminate the total Tenured & Tenure-track faculty shortfall estimate for the 590 current members of the faculty at the end of that period. We will monitor our progress toward eliminating our overall shortfall and will alter our Equity pool recommendations as necessary in future budget cycles.

The extent of (so-called) equity shortfalls are so widespread that it is critical that these equity funds be used to enhance the salaries of the greatest number of tenured and tenure-track faculty possible. This suggests a (virtually) pro-rata distribution of funds within ranks. We suggest that in the aggregate, equity raise pool funds be distributed across ranks in proportion to the estimated shortfall (Full 71.9%, Associate 23.0%, and Assistant 5.1%).

Finally, we recommend that the (temporary) bonus plan for faculty be discontinued and that funds be earmarked for raises in base salaries. This program provides only the shortest of term solutions to our compensation problem, it may engender ill will, and it requires a significant investment of management

time. We believe that the funds are desperately needed to enhance the base salaries of our tenured and tenure-track faculty.	