

February 11, 2004

## Faculty Senate meeting minutes: 02/11/2004

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*Northeastern University*

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TO: FACULTY SENATE  
FROM: CHARLES H. ELLIS, Jr., SECRETARY, FACULTY SENATE  
SUBJECT: MINUTES, 2003-2004 FACULTY SENATE MEETING, 11 FEBRUARY 2004

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Present: (Professors) Alper, Alverson, Aroian, Bannister, Bansil, Barnes, Blank, Brookins, Bruns, Bursey, Ellis, Flym, Futrelle, Hansberry, Hunt, Khaw, Krishnamoorthy, Kruger, Lowndes, Margotta, Metghalchi, Morrison, Ondrechen, Peterfreund, Serafim, Sherman, Sherwood, Vaughn, Wray  
(Administrators) Abdelal, Hill, Meservey, Zoloth

Absent: (Professors) Howlett, Shafai  
(Administrators) Finkelstein, Greene, Onan, Soyster, Stellar, Weiss

Provost Abdelal convened the meeting at 11:56 a.m.

#### I. **President Richard M. Freeland**

**Budget Process.** President Freeland introduced the FY05 budget discussion by pointing out that he would concentrate on the new Academic Investment Plan and that Senior Vice Presidents Mucciolo and Abdelal, respectively, would speak about revenues and academic expenditures. He reminded Senators that the budget process begins with the Committee on Funding Priorities (CFP), in the fall. This group of twenty faculty, administrators, staff, and students sorts out the competing claims on the next year's incremental budget and recommends budget priorities to the Budget Committee, a body of administrators (co-chaired by Senior Vice President Mucciolo and Provost Abdelal), which crafts the actual draft budget. The Budget Committee meets with the CFP to reconcile differences before the draft budget is considered by the Financial Affairs Committee of the Board of Trustees. This occurred in January, and the Board committee is generally supportive of what is being brought forward. This Senate discussion is the first of several presentations to inform and gain feedback from campus constituencies before the final budget is placed before the full Board of Trustees in March for approval. The primary difference from past years' budgets is the proposal of a five-year Academic Investment Plan to strengthen the academic side of the house, of which many parts came from issues discussed in the CFP.

**Academic Investment Plan.** President Freeland outlined the following categories of institutional performance that are key to achieving our top-100 goals: student quality (admissions standards), student success (completing degree requirements and graduating), our academic reputation, and our resource base. Our excellent progress in admissions has put us on track toward the top-100 goal. We have already met our student quality goal set for FY08. Retention and graduation have risen sharply and dramatically, exceeding 60% this year. Although we need to do better, we have a solid program in place, but we need continued focus on ensuring the quality of the overall student academic experience. We want to move the needle on our academic reputation and the way the world views us. Our continuing progress requires us to find the resources to support the investments that will accomplish these objectives. A university is only as good as its faculty. To meet the challenges, we need to attract top-quality faculty in appropriate numbers and must support them with professional staff, infrastructure, facilities, and classrooms as we build selected areas of research excellence. Northeastern must be known nationally, and internationally, as a place where first-rate scholarship is taking place.

The first area of academic investment will be to increase the number of full-time, tenured or tenure-track faculty by 100 over the next five years. This number grows out of three considerations. First, what faculty do we really need to accomplish our programmatic goals? Second, how many faculty do we need to do to compete with top-100 institutions in faculty-student ratios? Third, what can we reasonably afford within the resources at hand? Increasing the tenured and tenure-track faculty by 100 will facilitate several initiatives. More undergraduate students will have access to courses taught by top scholars in the field. We can reduce our reliance on part-time faculty and lecturers to carry the load of undergraduate instruction, as we also try to keep up with fields where student demand is growing. Another goal is to elevate graduate and professional programs. First-class work in professional education is the core identity of Northeastern; additional

investment in faculty will help those programs to realize their potential. We also need additional faculty to build selectively in key research areas.

President Freeland pointed out that certain majors, in the Colleges of Arts and Sciences, Engineering, Business, and Criminal Justice, presently show an increasing high student demand. These include communication studies, architecture, visual arts, technologically-oriented music, graphic arts, multi-media studies, international business, finance, and marketing. In the health sciences, fields on the rise include pharmacy practice, nursing, and physical therapy. At the Graduate Schools, additional investment is needed to get the quality and recognition we desire at both the master's and doctoral levels. He noted that the School of Law, one of our strongest units, is not out of proportion in the student-faculty ratio and also noted that Law has the capacity to generate some support resources of its own.

Some already-strong areas in which we are trying to build national prominence in research and graduate education are biotechnology, pharmaceutical sciences, biology, nanotechnology, sensing and imaging, and urban policy. He asserted that the distribution of the 100 new faculty, decided upon year-by-year over the five-year process, will be the centerpiece of the Academic Investment Plan.

Our investment in the Honors Program needs to be strengthened, and other programmatic undergraduate initiatives such as living and learning centers and communities are under discussion for staffing and infrastructure support. From a budgetary point of view of, President Freeland presented a slide with the following information on the \$75M investment plan.

<u>Investment Area</u>	<u>Year 5 Cost*</u>	<u>Cumulative Cost*</u>
100 T/TT Faculty	10.6	31.2
Research Infrastructure	2.4	7.2
Other Support	5.4 - 9.5	16.2 - 29.5
Total Recurring Costs	18.4 - 22.5	54.6 - 67.9
<u>Non-recurring Costs</u>		<u>10.0 - 20.0</u>
Total Plan		64.6 - 87.9

\*(In millions)

He pointed out that by the fifth year of the plan (FY09), the University operating budget will be about \$20M higher than it is today as a result of these investments. Twenty faculty will be added in each of the five years at a cost of \$31.2M, and by the fifth year it will cost \$10.6M each year to support these 100 new faculty. The research infrastructure is a formulaic number built into the five-year budget projection and includes projections for growth in sponsored programs. Since meeting some performance goals is key to the amount, this budget is structured around varying levels of success in achieving those goals. The estimated \$75M total is the midpoint of the \$64.6-\$87.9M range and depends on the level of resources we can generate through operating performance. It is not \$75M already in the bank to be spent. The item called "Non-recurring Costs," which is not part of the operating budget, refers to one-time costs such as renovation of laboratories and the "start-up" purchase of research equipment for new faculty. NU's strong operating performance over the past three budget cycles can help here because of surpluses held for investment. The non-recurring cost category is one place to use these resources on a one-time basis without adding to the operating budget. As to where all the money will come from, President Freeland invoked current performance and the revenue trends over the next five years, including graduation rates, enrollments and retention across all levels, increasing sponsored projects and fundraising.

President Freeland stated that, although we are doing quite well, we will have to raise the level to accomplish the ambitious goals of this investment plan. Faculty can play a critical role in several areas. Sponsored projects should increase by 43%, and indirect cost recovery by 130% based on new faculty and increased infrastructure support, and a significant number of the new faculty will be able to bring sponsored project money with them. The graduation rate is better than 60% this year, which is an improvement over the 40% of five years ago, and the goal is to reach 67%-70% by 2008. Graduate enrollments have been losing altitude

for no apparent reason, but we are working to reverse that trend. He proposed the graduate discount rate might be increased by 2% -4%.

In conclusion, President Freeland noted that the Academic Investment Plan will begin in FY05 and will be based on heightened institutional performance. While he did not guarantee that we will have met all benchmarks each year before going on to the next stage, he predicted that we will accomplish the goals of the investment plan together and, in so doing, reach the top-100 goal.

## II. **Senior Vice President Laurence F. Mucciolo**

**Revenue and the Budget Process.** Vice President Mucciolo pointed out that more than 80% of the operating budget depends on the revenue from tuition. Key drivers of revenue are full-time undergraduate admissions and retention, attendance patterns, graduate enrollments, part-time undergraduate enrollments, tuition rate increases, and indirect cost recoveries. From an investment management perspective, each of these components is associated with some degree of risk. One risk has to do with increases or decreases in student numbers. Undergraduate admissions and retention are strong. "Attendance pattern" refers to the number of semesters that students attend classes, paying tuition, and the non-revenue-generating semesters when they are on Coop; the pattern can be fairly volatile. Graduate and UC enrollments have been uneven at best and recently have been declining. We are looking toward 3500 new undergraduate students next year, 2800 freshmen and 700 transfers, a goal that is in line with the average enrollments over the past five years, with the exception of the 200 additional incoming students we enrolled this year. We do not need to depend on a continuing 200 student excess; the difference next year should be offset by the more robust retention rate. Freshman and sophomore retention is at 88% this year. An attendance pattern rate of 1.685 semesters per year is being projected, the decline in UC is being addressed aggressively, and graduate program credit hours are being budgeted at a 2% increase in revenue.

Vice President Mucciolo reported that next year's tuition will increase by slightly less than 4.5%, which is the lowest rate of increase in ten years. Housing options for students will generate an increase of between 3% and 5%. For incoming freshmen, tuition, room and board will rise by 4.25%, and other costs such as books, transportation, and other items will total slightly under \$40K. We are trying to stay focused on affordability and the value side of the equation, and this amount is in the midrange of costs at our sister institutions.

Vice President Mucciolo then reported on net revenue beyond tuition. One significant change here is that revenue transferred from the endowment will decline by about \$3M because the Board lowered the endowment spending rate to 5% (from 5.5%) of the three-year moving average of the endowment's value. This rate is very much in line with what other institutions do. The amount we transfer to operations is also a function of the endowment's value and the market decline over much of the last three years contributes to the lowered transfer. As the market improves, spending from the endowment spending will also rise. Another significant change in our sources of revenue is the indirect cost recovery, which will provide further incremental revenue beyond the continuing revenue base.

The budget contains salary and benefit increases of about 4.3% for faculty and 3.3% for staff. Other increases on the spending side include bringing buildings G and H on line for the College of Computer Science, general use classrooms, and student housing. There are some additional costs related to the Behrakis building. The housing components financed directly through user fees afford some modest improvements elsewhere in the budget, but the overwhelming proportion of the new funding, \$17M out of \$24M, will go to salaries and benefits of one kind or another and the academic investments.

## III. **Provost Ahmed T. Abdelal**

**Salaries.** Provost Abdelal reported that the faculty raise pool will total 4.2%, with 3% for merit and 1.2% (\$800K) for market adjustments based on the matchmate analysis and assessment of performance of individual faculty members across departments and colleges. For staff, non-tenure-track faculty, part-time faculty, and graduate assistants, the raise pool will be 3.3%, with 3% for merit and .3% (\$300K) for adjustments and bonuses.

**Academic Budget.** Provost Abdelal has budgeted \$2M for twenty new tenured or tenure-track faculty positions (Academic Investment Plan) and \$1.25M to address the Colleges of Arts and Sciences and Business Administration deficits. Operational funds (\$800K) will be allocated to provide for instructional support and professional development, and to strengthen honors offerings, and increase the number of graduate assistantships. The Library will receive \$600K to enhance its book collection and to add key electronic and print journals and periodicals. An additional \$300K will go to departments for new courses added in 2004 in response to student demand.

The budget projects a 2% increase in graduate revenue, 30% (\$270K) of which will go to financial aid for graduate students. Revenue sharing with graduate programs will be with the understanding that, if a college exceeds the 2% of what is projected in the budget, 50% of the additional revenue will be provided for direct support of the academic programs. Conversely, if a college's graduate revenue declines, that college will be expected to absorb 50% of its revenue decline.

The budget includes \$270K to enhance of academic-sector professional staff support and advising. An additional \$1.2M will provide more competitive compensation in the colleges and in the area of Adult and Continuing Education. For interdisciplinary centers, \$1.2M has been budgeted, \$450K of which will go to support centers that were established in the past two years, and \$750K will be used to establish two new interdisciplinary research centers that are associated with the hires of two endowed biotechnology chairs. That funding is incorporated in the recurring part of the budget.

President Freeland tied to the top-100 goal what Senior Vice President Mucciolo and Provost Abdelal had just presented. He pointed out that four categories of performance—reputation, resource base, student selectivity, and student success— will contribute directly to advancing Northeastern's cause. This budget is designed to provide needed support in each of these four areas. Some things are outside the operating budget. Construction of Building F, for example, is a new capital expenditure and therefore not part of the operating budget.

He concluded by noting that Professor Morrison's role, as chair of the CFP, was to lead the interactive discussion during the setting of priorities and during reconciliation with the Budget Committee on getting the numbers as close as possible to the CFP's priorities. He invited Professor Morrison to comment on how it all worked from his perspective.

Provost Abdelal asked Professor Lowndes to act as moderator for the discussion period. The floor was opened to discussion.

Professor Morrison explained that the CFP's role is advisory in preparing a list of priorities for the Budget Committee. This year, the charge to the CFP was different in two significant ways. First, the CFP had access to more information than in previous years. Second, the CFP was asked to address additional budget functions. Because more revenue was on the table to be allocated, the job was both more fun and more difficult. The budget assumptions and the tuition increase were in line with what the committee recommended, but, given the complex task of twenty-six people allocating \$20M, an off-line voting mechanism was used and the results aggregated to get the committee's recommended spending priorities. The original budget that the CFP saw differed from what it recommended with respect to expenditures. Some of those differences have been addressed in today's budget. In addition, the CFP was asked to give its views on the Academic Investment Plan, and that is identical to what was endorsed by the Budget Committee.

Professor Futrelle asked whether the one-time renovation in the budget related to the 100 new faculty positions. President Freeland responded that this was indeed the case.

Professor Futrelle asked whether, as NU's reputation is further enhanced, more families who do not need financial aid will be eager to send their children here. President Freeland responded that financial aid is helpful in attracting top students, but NU has always been proud of being accessible to students who are not affluent.

Professor Aroian asked why the School of Nursing was not targeted in the plans to elevate the graduate professional programs. Provost Abdelal replied that Nursing actually was included in the initiative and that the plan would remain responsive to new data analysis and student demand.

Professor Margotta wondered whether in the various metrics, such as those used by *U.S. News and World Report*, the expenditure of the projected \$75M would bring us in line with the top-100 institutions in spending faculty resources. President Freeland replied that it is difficult to project where the bar will be set five years hence, since everyone else is moving at the same time, but the key variables are faculty salary expenditures and numbers of full-time faculty.

Dr. Putnam explained that the five measures are salary levels, percentage of full-time faculty, percentage with terminal degree, percentage of class size below 20 and above 50. The assumption is that, by increasing the size of faculty and contributing to faculty salaries, we would improve these dimensions and increase the full-time faculty percentage while decreasing the number of part-time faculty.

President Freeland added that, based on what we now know and the comparative data we have on salaries and the numbers of tenured and tenure-track faculty in relation to size that are included in the Academic Investment Plan over the next five years, we should be competitive at the top-100 level in terms of what we are spending on faculty salaries and faculty size.

Professor Peterfreund asked about the articulation of the Academic Investment Plan, which has been characterized as flexible and a work in progress, with the current strategic plan to enhance graduate education that is being overseen by Peterson's.com. because one of the possible outcomes of that plan may be that, in order to increase enrollments or enhance performance in professional and doctoral programs, we need to add faculty in those departments as well. Provost Abdelal replied that he expects to see the results within a year. He added that, even when the goal is to have a richer ratio of tenure-track faculty to majors in a department that has graduate programs, that department's graduate faculty is strengthened at the same time. Although not explicitly stated in the plan, increases in the number of graduate stipends and in support for professional development and research will enhance not only the undergraduate programs but also the graduate programs and the development of faculty.

Professor Bruns asked if the federal increase in sponsored research funding would be 43%, the level of increase in the investment plan, and whether this was realistic, since it appears that the recent federal budget will decrease NIH funding. She also asked about faculty salaries, recalling that the Senate had, in the fall, voted in favor of the Financial Affairs Committee's recommendations, which were higher. President Freeland responded that the research funding amount was realistic. He acknowledged that the FAC had recommended a 5% faculty salary increase and the final pool is 4.2% with merit and market adjustment pools. He explained that 4.2% is at the high end with respect to what other institutions are doing and added that he is mindful of making up for the losses experienced in the 1990s. This budget will move us to a place where the total faculty payroll is competitive with, and even a bit beyond, matchmate institutions.

With regard to NIH funding, Provost Abdelal explained that it is not a decrease but rather a smaller increase than in recent years. This is also the case with NSF funding. With the Academic Investment Plan, the University will strengthen the research infrastructure and the support for graduate programs that bring in these federal dollars and outside funding so that research productivity will increase. Adding forty-five or so faculty in areas where there is federal funding is an ambitious projection but is doable, particularly if these faculty have incentives to increase federal funding.

President Freeland pointed out that progress in sponsored projects over the last five years has grown by 40%; we are projecting less growth from the current faculty but more from the new faculty.

Vice President Mucciolo noted that, with fringe benefits included, the faculty salary increase would cost the University 4.8%.

The floor was yielded to Professor Bernstein who lauded the many improvements to the University and asked whether there might be a lag in perception between what we really are and what people think we are. He

asked whether those who planned the Academic Investment Plan had thought about putting more emphasis on the Humanities and the Arts in order to further enhance our reputation and attract students. Provost Abdelal responded that the Humanities and the Arts are addressed in the plan. He had coined the term “digital arts” to emphasize that in the context of NU, with engineering and technology as two of our hallmarks, it made sense to also emphasize the digital arts—music industry, digital music, visual arts, graphic design, digital photography, and media studies—because student interest is moving in that direction. English, as one of the key departments that provide core services to the whole University, is slated for more faculty appointments and graduate stipends to ensure that we have a strong program to support writing proficiency across the curriculum throughout the University.

President Freeland assured the body that NU’s story is being told to the world. The Academic Investment Plan was described in this morning’s *Boston Globe* and will be appearing in the *Chronicle of Higher Education* in March. We are also working with the media, i.e., an interview with NPR, to air NU’s story.

Professor Herman expressed concern that the plan for Building F contained only general classrooms and recommended that resources be directed to expanding the space currently available for digital arts programs. Vice President Mucciolo agreed that creative solutions are needed to augment those facilities and assured the body that these matters are on the table to be addressed.

President Freeland noted that the decision to shift toward general classrooms was based on space issues and Building F being a good fit for general classrooms rather than on not giving priority to needs of the digital arts.

Provost Abdelal added that the Space Committee, which he co-chairs with Vice President Mucciolo, has been dealing specifically with what will be done as an ongoing process in the short term, five years or so, to deal with the needs of digital arts and other renovations for academic facilities.

Professor Lowndes observed that in a major university with many competing budgetary needs and limited funds, it is inevitable that some constituencies may be less than satisfied with the results of any one budget process. He thanked the contributors to the Academic Investment Plan, especially the Provost and the Deans who made very compelling cases for the academic initiative within the CFP, and he thanked the CFP for its hard work in balancing these very strong and competing needs. He particularly thanked the President for acceding to the academic initiative and then presenting it to the Trustees. He also thanked Trustee Michael Cronin and the other members of the Board’s Academic Affairs Committee for their very important support to the presentation by SAC on this issue. We now have a major plan that will recover some of the ground lost in the 1990s. Although the 100 faculty positions and attendant monies have not been specifically earmarked at this point, and more planning is needed, this is a great opportunity to advance the University benchmarks in the next five years.

Professor Lowndes asked the Senate to join him in a round of applause for the three presenters.

Adjourned at 1:25 p.m.

Respectfully submitted,

Charles H. Ellis, Jr.  
Secretary