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Northeastern University

Faculty Senate Meeting Minutes

Faculty Senate

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Faculty Senate Meeting Minutes : 02/22/2006

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Northeastern University

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TO: FACULTY SENATE
FROM: STUART S. PETERFREUND, SECRETARY, FACULTY SENATE
RE: MINUTES, 2005-06 FACULTY SENATE MEETING, 22 FEBRUARY

Present: (Professors) Alper, Cokely, Futrelle, Glod, Hansberry, Herman, Janikian, Kane, Krishnamoorthy, Marshall, McKnight, Melachrinoudis, Morrison, Peterfreund, Powers-Lee, Reynolds, Robinson, Sanchez, Sherwood, Strauss, Willey, Wiseman
(Administrators) Abdelal, Falcon, Finkelstein, Greene, Moore, Onan, Sridhar, Stellar, Zoloth

Absent: (Professors) Bannister, Bobcean, Bruns, De Ritis, Hall, Ramirez, Reucroft, Ryan, Schaffer
(Administrators) Soyster

Provost Abdelal convened the meeting at 11:57 a.m.

I. Approval of the minutes. The minutes of the 02/08/06 meeting were accepted as amended.

II. SAC report. Professor Glod reported the following:

A. Meetings. SAC met once in regular session.

B. Committees. The Chemical Engineering Chair Search Committee has been staffed as follows: the Department elected Professors Lee-Parsons, Sacco, and Ziemer; SAC appointed Professors Jones and McKnight.

C. Resolutions. President Freeland has approved Resolution #6: Proposed name change of the Department of Cardiopulmonary and Exercise Sciences in the College of Health Sciences.

D. Professor Glod thanked Professor Bluestone and Vice Provost Falcon for their work on the Klein Lectureship Selection Committee and announced Professor Alain Karma is this year's recipient of the award. His lecture, "Ways of the Heart: Taming Cardiac Fibrillation", is scheduled on 30 March at 3:00 PM in Raytheon Amphitheater, 240 Egan. It will be followed by a reception.

E. SAC discussed the change in parking procedure at Renaissance garage. Without discussion, notice, or comment, the University eliminated faculty and student parking at that site between the hours of 5:00 AM and 5:00 PM. In the past, there has been a University Parking and Transportation Committee. SAC would like to see it reactivated with faculty, staff and student representation, to review the process, substance and notification process around parking issues.

F. **The next Senate meeting is Wednesday, 1 March, at Raytheon, 240 Egan.**

III. Provost Abdelal said that, due to time constraints, he would not present a Provost's Report but added that a number of issues, including tenure and promotion, faculty hiring, and budget, were keeping the Provost's office very busy.

The Provost then opened the floor to questions.

Professor Willey strongly recommended that CD's be used for tenure and promotion cases. He cited the difficulty, in the College of Engineering, in carrying 8-12 notebooks from room to room.

Provost Abdelal thanked Professor Willey for the email he had sent to him on this. The Provost welcomed the proposal but expressed the need for discussion in consideration of current policies and procedures. Unlike in the College of Engineering, the issue may not be as clear in other areas of the University. Professor Futrelle indicated that the issue might be more complex for people in arts. He stated that CDs, printers and computers fail but paper lasts.

Professor Peterfreund suggested that both forms could be used and that electronic technology would make dossiers much easier for any discipline with the advantage that everyone could have access to publications and/or other archival materials during deliberations.

The Provost will consult with Professor Glod to see how the issue will be reviewed.

F. With the proviso that the Senate discontinues discussion to yield, upon the arrival of Senior Vice President Mucciolo, to the scheduled budget presentation, the Senate turned to the discussion of the proposed Executive Doctorate in Law and Policy, originally moved and seconded at the meeting of February 8.

> **BE IT RESOLVED That the Faculty Senate approve the proposed Executive Doctorate in Law and Policy in the School of Professional and Continuing Students (SPCS) as approved by the Graduate Council on 11 January 2006. (6-2-0)**

Professor Alper noted point of order and asked that the question he posed at the last meeting regarding admissions standards/requirements be answered. He reiterated his concern about the idea of degree inflation and the cheapening of existing doctorate degrees.

Vice President Hopey indicated that the answer depends upon how we define quality students for this program. SPCS defines a senior executive of an organization with 10-15 years of experience as a quality student. This program will not require GRE scores; it is not designed as a traditional doctoral program.

Professor Strauss suggested adding a statement to the effect that this is not lowering standards but a change to meet the needs of this program for students having experience. VP Hopey agreed to add a statement of that kind. Professor Peterfreund clarified that this clarification would involve adding language on p.14 under the section on admissions and stated that the suggestion can be accepted as a friendly amendment if the senator seconding the motion agreed.

After further discussion on admissions standards, VP Hopey agreed to adjust the admissions statement to read: “Also, the doctoral program will require at least ten years of professional experience prior to admission.”

Dean Zoloth warned against changing the number of years because SPCS is not asking for GRE scores, which do not predict success among adult learners. The admissions parameters are similar to other professional degree programs—that is, a moderate amount of work experience. He suggested retaining the standard at five years.

The Provost noted the suggestions and asked if anyone was ready to make motion.

Vice Provost Falcon noted that, since many different considerations will be examined for each applicant, the admissions language regarding the number of years should be flexible.

Professor Futrelle suggested that arguments for raising the nominal admissions requirements are specious. SPCS should look at applicants’ administrative responsibilities and prior experience.

To exclude an applicant because s/he may be a few years short of ten years' experience is missing the point. The program must look at general qualities and not set artificial limits that are inappropriate. There must be flexibility.

Vice President Hopey reminded the Senate that a graduate degree is required for admission.

The Provost then interrupted the discussion for the budget presentation by Senior Vice President Mucciolo and Samuel Solomon, Director, Budget Office.

Sr. VP Mucciolo thanked the Senate for inviting him and Mr. Solomon. He noted that the budget is based on five principles that have remained the same for the past nine to ten years although the emphasis may vary from year to year. The first is the enrollment of 2,800 to the freshman class. The Vice President noted that the quality and performance of incoming classes has improved and helped to lift the rankings. The second principle is to use financial aid both equitably and in a way that will leverage various institutional goals, particularly those of recruitment, retention, and student quality and diversity. Third, the same dual approach is used in the compensation process in which salaries are used to achieve equity, particularly in relation to the marketplace, and also to leverage other kinds of institutional success such the ability to attract and retain high-quality faculty and staff. Fourth, Northeastern continues in its efforts to increase the number of tenure-track faculty and to make other improvements in the academic programs. And fifth, continues to honor the mandate to establish balanced budgets while taking into account all expenses and address the needs of the physical plant. So, qualities and principles have been tied together in various ways and there has been consistency.

There are several key elements regarding the budget itself. First, the budget has been crafted to be able to generate sufficient funds to pay expenses. Secondly, it has taken into account the significant increase in energy costs, including those generated by building openings. And finally, not unlike in earlier years, we have this year an embedded reallocation of $3 million, about 1%, that will help to fund support improvements that will be introduced later in the presentation.

The budgets are driven by tuition which is what we do in terms of tuition increase and financial aid discounts. Tuition is generated by enrollments volume and retention. Another factor is the number of terms the students will be here. Coop participation does not carry with it a tuition charge so revenues are affected when Coop participation increases or decreases. Other key elements, or drivers of revenue, include graduate credit hours and head counts; the SPCS contribution to the overall finance situation (which is improving); and funds that cover indirect costs in relation to funded research. There are certain revenue-based performance measures that must be achieved in order for the academic invest plan to succeed: growth in the graduate and research areas. Sr. VP Mucciolo indicated that we are on track.

NU's tuition rate in 2005-06 was $28,700, up 6.2% from the previous year. Average tuition is about $21,000 nationally. New England institutions are higher-rated and carry higher tuition rates. Among competitive institutions such as Boston College and Boston University, NU is in the middle of the pack or slightly above the median of 5.6% from the previous year. Percentage notwithstanding, NU tuition is slightly below the median this year. The rate increase proposed for the coming year is 5.3%; graduate tuition & SPCS is around 6%. Sr. VP Mucciolo expects that 5.3% will be below median increase this year but those figures are not yet available.

Another element driving the tuition rate is financial aid or the amount of tuition discount. Actual discount rates over the past several years were higher than budgeted due to more students applying for higher amounts, which is something we cannot predict. Also, improved student retention brings with it students who are more highly aided. So that, too, has driven up the rate. Because we're committed to a policy of equity, we haven't capped the aid rate at the budgeted

amount. The imbalance can be seen in 2005. Sr. VP Mucciolo believes that 29% is in line for the upcoming year. Approximately one half of that imbalance was made up last year; the remainder is scheduled to be made up in the next fiscal year. Since we didn't want to cut back on other areas such as academic initiatives and salary pools, we have an arrangement with the Trustees to correct the imbalance over two years. FY2007 will be the second year.

Student aid has essentially doubled since 1996-97 and is now close to the mean of comparable institutions depending on which ones are considered part of the benchmark group. But equity was really about the gap between the aid rates for freshmen versus continuing students. This gap has essentially been equalized for the current year and forward.

The next significant driver of revenue is enrollments. We plan 2,800 students. We also budgeted for 600 internal transfers for the FY2007 budget, which is about 100 below what was originally planned but quite high compared to benchmark groups.

Another big driver is the dramatic and perhaps unprecedented improvement in retention rates. The retention rate after freshman year is now up to 89.5%. Other retention rates, middler through the senior years, are improving and graduation rates are expected to increase over time. Sr. VP Mucciolo explained that graduation rates are typically measured on a six-year basis. The class admitted in fall of 1999 graduated 60.5%; the fall 2000 class graduated 64.5%. We've taken the actual rate based on intra-year retention rates and projected it out. These retention rates generate additional enrollment and revenue for the next FY and forward.

The last driver of revenue is the percentage of terms for which a student actually enrolls. The mean number of terms per student per year, excluding the freshman years, is currently 1.66, and this is the assumed mean for FY07. Although it's a bit technical, one basis point is worth $1.2 million, so it matters. There is a lot of volatility in this statistic and it can have a very material affect on revenue.

In response to questions from Professor Strauss, Sr. VP Mucciolo explained that the number 1.66 represents the number of terms (minimesters are accounted at .5 per term) per year for which the average student will register and pay. The average student does not attend for two full terms per year because of coop. Mr. Solomon further explained that the number of students attending classes divided by the total number of upper class students gives the average number of terms per student.

Sr. VP Mucciolo continued by noting that putting these various factors together, we are projecting overall tuition gross increase of $34 million and a financial aid increase of $8 million. So, on the tuition side, net revenue will increase by almost $27 million or 8%. Again, this is due to two factors: a 5.3% tuition increase and additional continuing enrollment. There is also a projected growth in income from the endowment (about $1 million) and another $.5 million if we count restricted monies. And in sponsored research or indirect cost recoveries, we believe we will increase by about $4 million. Other sources of revenue increase are expected in categories such as parking and application fees for a total in additional revenue of $29m.

Another important factor is SPCS which operates as a contributor model. Given the change in the mix of enrollment and stronger effort in terms of programs, we expect improvement in their gross contribution of approximately $1.3 million, a 13% increase.

Sr. VP Mucciolo then yielded the floor to Provost Abdelal for a discussion of the implications of the proposed budget for faculty and staff compensation and operational support. The Provost pointed out that he and Sr. VP Mucciolo chaired the University Fiscal Advisory Committee (UFAC) which included four faculty representatives, including Professor Glod, Chair of the Senate

Agenda Committee and Professor Kruger, Chair of the Senate Financial Committee. The Committee also included two deans elected by deans, another Senior Vice President, one representative from the Student Government Association (this year it was their financial Vice President), a representative from Graduate Student Government Association, and one staff representative. It is a smaller committee and everyone on it believes it worked well. Professor Glod affirmed this and the Provost went on to say that all the key premises had the complete support of UFAC.

The first expenditure is on compensation. The merit pool is 4% with half distributed July 1 and half January 1 so that in succeeding years 4% will be in the base salary. This will cost $7.4m. Also shown is the estimated increase of health insurance ($2.1m) and employee tuition remission ($.4m). In addition to the merit pool there are specific areas to deal with such as faculty compression/inversion and equity. That amount is $.3 million, effective January 1, for a cost of $150k. Staff salary and equity is at the same rate. An important point here is that these allocations will be incorporated in contracts for faculty and staff at the outset.

Prof. Strauss asked how the numbers add up if there is around $10 million headed for the compensation plan and $27 million in revenue increase which is really $34 million when adding up all the sources. The Provost responded that Sr. VP Mucciolo will show a table of all increases later in the presentation.

Professor McKnight asked how the employee tuition remission is an actual cost. It was explained that employee tuition is recorded on the income side and then deducted on the expense side as a record-keeping device.

The Provost continued that total compensation on an annualized basis is 4.4% for tenure-track and tenured faculty and 4.3% for other employees. These recommendations were based on a study provided by Human Resources Management (HRM) comparing each rank of Administrative/Professional salaries to the higher education averages and the industry average. That study shows that NU needs to address market equity in staff salaries which is the basis for recommending $300k for staff.

Regarding faculty salaries, the Provost explained that four years ago his office implemented this model of comparing each department with a list of matchmates and accounting for cost of living difference between the specific matchmate institutions and NU in Boston. On this basis, we get matchmate average salaries for faculty by rank. The gross gap for tenured faculty members in departments that have deficits is $1.2 million.

The Provost noted that Northeastern is in the third year of the Academic Investment Plan. Hiring additional tenured or tenure-track faculty will result in salary expenditures of $2 million, with an additional $.5 million in non-academic funds allocated to the academic area. The Provost elaborated that one-half (or 20) of the new tenure-track positions went to Arts & Sciences in the first two fiscal years, primarily for the purpose of strengthening the instructional staff in majors that had previously experienced rapid increases in program enrollments. At this point, we are still in the hiring process and remain in flux. More positions have been advertised than there are actual lines, but the key issue is that the Academic Investment Plan is proceeding on schedule. We are adding faculty to respond to goals in undergraduate education, professional graduate education, and strategic research.

Key priorities in academic operational support are enhancing the budgets of the College of Business Administration (CBA) and the College of Arts and Sciences (CAS). These have been under stress due to enrollment pressure. Another priority is to establish an undergraduate research office by appointing two co-directors and giving them an operational budget to enhance

opportunities. The Provost explained that the Student Government Association proposed the resolution for establishing this office.

Sr. VP Mucciolo continued the presentation, pointing out that the availability of funds after the items discussed does not leave a lot of room. There is strong support among the UFAC members, and interest from the President and Board of Trustees, in strengthening fundraising, in particular the alumni affairs area and $300K is allocated. A nominal allocation also went to enrollment management to strengthen national recruitment efforts.

Other expenditures that will make demands on the budget but will enrich the quality of academic life are facilities-oriented. Building F will open in the fall. From the budget point of view the only requirement is to fund the operating costs. The building will supply three important components—classrooms, including a large lecture hall, the Honors Program office, and the African American Institute.

Other projects include building an alumni center, which will include staff and conference facilities, on the 6th floor of 716 Columbus Ave. The Center will provide opportunities for students, faculty, and staff to engage in programming involving alumni. This project is in the bidding stage but could cost about $4 million. Property acquisitions include St. Ann's church on St. Stephen Street where we expect to spend $5 million just to open the doors. The first budget has just $150k for maintenance of the building until renovations can begin. That building will be used for performance oriented purposes. 109 Hemmingway Street was acquired as it sits next to other NU-owned buildings. The Asian American Center is housed there at this time. This required a small increase in the budget to handle utilities and some renovations for handicapped access.

To Professor Strauss's point, these [numbers on the slide] are all the operating budget increases. Taking out $3 million in reallocation, which is a euphemism for cuts or finding inefficiencies, it is $23.5 million. Remembering the $5 million imbalance which needs to be corrected, the total is about $29 million.

Sr. VP Mucciolo added two other things. Going back to discussions in UFAC, the committee ended up agreeing to and supporting that, should the budget prove to be better next year, either on the revenue or the expense side, it is prepared to allocate up to $1 million in additional student aid. And by the following FY, $1 million would be added to the budget.

The Sr. VP concluded that the budget is very much in balance. It does, however, have implications for FY08 budget; certain funds will come off the top due to 4% salary increases. And we have made this commitment for $1 million in 08. But this budget does a number of good things: it continues to advance academic investment plan; it provides, both on the dollar side and the facilities side, for advancement and alumni affairs; it raises overall compensation at an annualized rate of 4.4%. We've tried to balance a lot of things.

The Provost opened the floor to questions.

Professor Glod thanked the Provost and Sr. VP Mucciolo for the presentation and collaboration on the UFAC. She commented that the UFAC is a new committee and it was her first time being involved in the budget process. She extended her appreciation to colleagues Professors Kruger, Morrison, and Meador as well as Deans Stellar and Moore for their work on the Committee. Her opinion is that it is a very fair budget. The tuition increase was necessary for several reasons: increased energy costs and carryover of unplanned financial aid costs. These represent a significant expenditure and drain on net revenue. She also expressed support for maintaining the financial aid discount rate, preserving the AIP, and budgeting a 4% merit increase for faculty and staff but said that it is unfortunate that the equity pool for both faculty and staff came up short. It

was a tradeoff given the limitations on the budget. Limited monies for advancement were another unfortunate outcome. Finally, Professor Glod expressed mixed emotions about supporting the 1% reallocation but felt it was necessary to try it this year in order to support other initiatives.

Professor Strauss asked for clarification regarding upper-administration salary increases, particularly those of senior vice presidents, of which NU has many. She asked if there is a number for those increases indicated in this budget.

Mr. Solomon responded that it is an incremental budget and Sr. VP Mucciolo responded that the $7.4 million for the merit pool includes all NU employees.

Professor Strauss then asked what the combined raises or percentages for senior administrators was expected to be. Mr. Solomon responded that the budgeted 4% pool is for all faculty members and other staff. To Professor Strauss's question about whether equity figures into that equation, Mr. Solomon responded that the only equity is $300k pool for faculty, which will be implemented January 1, and a $300k pool for administrative positions that are below market, mostly in grades 10, 11, and 13, also to be implemented January 1.

Professor Strauss then asked where she could enquire if she wanted more information. The Provost explained that the salaries of deans, vice presidents, senior vice presidents and the President are done by the Compensation Committee of the Board of Trustees. Mr. Solomon further explained that, while the process is different, the salary pool is intended to cover all salaries.

Professor Alper asked about a decrease of approximately $400k in alumni giving. Sr. VP Mucciolo said that the numbers shown reflect what goes into the unrestricted budget. Not shown are the monies that go into donor restricted areas such as endowed chairs or monies going to targeted departments, and others. In recent years there has been shift away from completely unrestricted giving in support of the operation to designated giving to a targeted College, program, department, or other area. Overall, the numbers are stable, but unrestricted giving is down.

Professor Marshall noted that there seem to be good statistics on student retention enhanced retention has not resulted in a decrease of transfer students, and now it appears as though they are becoming a supplemental source of revenue. He proposed that these students, while interesting, are destabilizing. Professor Marshall recommended that the transfer student enrollment figures should decline.

The Provost then motioned to adjourn and the motion was accepted. He thanked Sr. VP Mucciolo and Director Solomon.

Adjourned 1:25 PM.

Respectfully submitted,

Stuart S. Peterfreund, Secretary
Faculty Senate