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Faculty Senate meeting minutes: 11/16/2011

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Northeastern University
Office of the Faculty Senate

TO: FACULTY SENATE
FROM: ARUN BANSIL, SECRETARY, FACULTY SENATE
SUBJECT: MINUTES, 2011-2012 FACULTY SENATE MEETING OF 16 NOVEMBER

Present: (Professors) Adams, Alper, Aroian, Aslam, Bannister, Bansil, Barberis, Basagni, Daynard, Fitzgerald, Gaffney, Hanson, Herman, Katula, Kruger, Poriss, Rappaport, Sandler, Sherman, Strauss, Todorov, Yang, Young, Zgarrick

(Administrators) Costa, Director, Finkelstein, Fulmer, Gibson, Lane, Spieler, Van Den Abbeele, Yener

Absent (Professors) Alshawabkeh, Fox, Muftu, Sherwood, Waszczak

(Administrators) Loeffelholz

Provost Director convened the meeting at 11:48 AM and introduced Rehan Kahn, newly appointed Vice President and Chief Information Officer.

- I. The minutes of 2 November were approved as written.
- II. Professor Kruger reported that SAC met three times in regular session since the last Senate meeting and once with the Senior Leadership Team.

The following resolutions have been returned to the Faculty Senate by Provost Director:

1011-07	Indirect costs returns to the principal investigator	"Informational, no action required"
1112-01	Policy for New Parents requesting a Period of Modified Duties	Approved. BOT approval not needed

The College of Art, Media and Design has been asked to conduct an election to replace Professor Strasser on the Senate due to his appointment as Associate Dean.

The Search Committee for a chair of the Department of Art & Design in the College of Art, Media & Design is now staffed as follows.

Elected members from the Department:

Professor Edwin C. Andrews
Professor Ann McDonald
Professor Thomas Starr

Appointed members:

Professor George H. Thrush, CAMD-Architecture
Professor William D. Kay, CSSH-Political Science

The Search Committee for a Dean of the College of Law is staffed as follows:

Elected members from the College:

Professor Margaret Burnham
Professor Martha Davis
Professor Richard Daynard
Professor Peter Enrich (Chair)

Appointed members:

Professor Margaret Woo
Dean Georges Van Den Abbeele
Trustee Margot Botsford

Student members:

Raymond Austin
Emily Mahoney

- III. President Aoun greeted the Senate and expressed his hope that new faculty will become infected with service to the Senate and to college governance.

The President stated that NU's trajectory had begun many years ago and will not stop with current faculty and administration. Decisions made as a community will impact the future on a daily basis and each newly hired faculty will share in that future. Modifications to the curriculum also impacts students both today and in the future.

The higher education landscape is most challenging with more challenges coming in the form of cuts in financial aid by Washington. Federal government monies to NSF and other agencies are also being considered. Public universities are privatizing due to constant budget cuts and are looking for out-of-state and international students for the same reasons that others are doing so. As a result, innovative approaches are being introduced by those who must survive, not all of which are good. Some colleges are advertising a non-residential experience for a quarter of the price.

NU has taken advantage of the opportunity to move forward by recruiting faculty, strengthening disciplines, providing options to students, and moving into the global arena. As NU is tuition dependent it must continue to enhance the undergraduate experience with innovative global, research, and community-oriented opportunities. It is always time for self assessment to ensure the best classroom experience. In addition, assessing the future of Burlington, Nahant, Dedham and other locations under the master plan will be undertaken.

President Aoun explained the origins of the current residential model and research/Ph.D model and encouraged non-traditional approaches to fill the demand by non-traditional students. He noted that regional campuses will not offer an undergraduate education, which requires infrastructure, but will be platforms for graduate education and research opportunities in conjunction with industries. These campuses are state-of-the-art for on-line education and on-site activities managed from NU's Boston campus. All programs originate in the colleges and all curricula must be controlled and managed by the college faculty. Therefore, while the colleges will play a role in who is responsible for quality, substance and delivery, they will also monitor those offerings to meet the needs of professional students.

The President opened the floor to questions.

Professor Strauss lauded the excellent template for on-line programs pioneered by CBA and, noting that mounting such programs requires much effort, asked who would undertake the work.

President Aoun responded that new arenas require an assessment of needs and each dean will take the lead on investment, incentives, and providing opportunity.

Professor Gaffney noted that proceeding will require working together and asked what the President viewed as the meaning of shared governance at Northeastern University?

The President concurred that it is a large question that began with the dream of shared destiny. Challenges are being faced, the implications of which are shared by the University community. As to the sharing of information – the President stated that the matter is *sine qua non*.

Professor Kruger asked how the Faculty Senate would fit into strategic decisions going forward.

President Aoun responded that buy-in must occur at different levels and it is never too late for discussion as the future is being shaped.

- IV. Professor Gaffney read the following motion which was seconded at the 3 November Senate meeting and tabled to time certain (16 November) at that time.

BE IT RESOLVED that it is the sense of the Senate that the Deans should present to the Faculty Senate the process used in their respective colleges to determine the percentage of the indirect cost recovered from externally funded research grants, which will be returned to the discretionary accounts of principal investigators.

Professor Gaffney noted that last spring the Senate passed two resolutions, one on indirect cost returns and the other a recommitment to shared governance. This motion is in keeping with the conversation begun last spring. During debate on the indirect costs resolution, many faculty spoke of the impact of the returns. *While the logical place for these discussions is in the colleges there is no comprehensive definition of shared governance. A committee of people without faculty representation does not feel like shared governance. However, if the Senate continues the conversation with the deans, it does feel like shared governance.*

VOTE on the sense of the Senate resolution: FAILED, 9-10-12.

- V. Implementation of the Hybrid Budget Model

Provost Director explained the motivation/philosophy which underlie the principles of RCM and provide a managerial framework for internal budgeting and financial reporting activities. Each academic unit receives their own income and is responsible for paying their own expenses. This ensures that available resources correlate with research and instructional activities. The deans decide how to best allocate funds and, because each college is unique, there is no standard template across the University.

In terms of history, a team was charged to develop a model which encourages entrepreneurial activities and achieves better alignment of resource generation and allocation. Similar models have been used successfully for over forty years at universities in the United States and abroad. The report recommended phased implementation with continual evolution. Public forums which included all sectors of the University community were held.

The model created eighteen Responsibility Centers (RCs), or key decision-making units, eleven of which are academic units. Revenue (grants and contracts, gifts, endowment, and non-credit activities) flows directly to the RCs; graduate tuition flows to the instructing unit; undergraduate tuition (with the exception of study abroad) is divided 50%-50% between the RC offering the instruction and the enrolling RC.

Indirect costs are assigned to the RCs; central costs are grouped in six categories based on the proportionate share of University operating expenses; research infrastructure costs are allocated to RCs on the basis of research revenues from external sources; space costs are allocated based on occupancy/utilization; the RCs pay a University contribution which is a percentage of all revenues except direct grant funding and given income. This allows investment.

The Colleges of Business Administration, Engineering, Professional Studies and Law were phased in during fiscal year 2011. Workshops were held, discussions at the Dean's Council led to amendments and a plan to incorporate market expansion (the unit receiving the income will pay costs) was incorporated. All four Colleges exceeded their revenue targets and received year-end settlements. Specific reports are under development.

Full implementation will take place during fiscal year 2012. A task team is addressing differentiation of space allocation costs, key reports are being developed for Colleges, and the hybrid budget model has been incorporated into new faculty orientation. RCs are now planning for fiscal year 2013 using a three-year planning horizon.

Some elements, such as the 20% Current Fund Allocation, will remain stable at present to allow colleges to prepare multi-year budget proposals. Increases in allocated costs will not grow by more than 3% per year. Deans are encouraged to share their College's "macro" picture with faculty but they will not disaggregate to the department/unit level as the plan is not designed to be implemented at that level.

The Provost opened the floor to questions.

Professor Gaffney asked whether the Deans can implement hiring of faculty, either replacement or new, without need of the Provost's approval. Provost Director indicated that concerns remain about risk so requests will still be reviewed. While replacement faculty uses an existing budget line there are salary differentials and start-up costs. The Provost's Office has always assisted with start-up costs although units do have the income and must generate such costs to a large degree.

Professor Strauss expressed concern about the lack of faculty involvement in the current admissions planning process including the awarding of financial aid and projection of the size of the incoming class.

The Provost explained that he, Senior Vice President Mantella and Vice President Brown (Enrollment) meet weekly with the deans and their administrative staff to talk about projections for incoming freshmen, retention, transfer students, etc.

Dean Gibson noted that there are certain goals such as attracting the highest quality students. Programs which attract the best students will flourish which, in turn, drives the entire process. He added that Colleges are not yet at the place where strategic factors such as who is attracting more students could be addressed.

Professor Young asked why the model is designed for all Colleges to be in deficit. The Provost assured him that it is not but is designed for some dependence on central administration in order that some Colleges, who do not have adequate resources, may survive. So Colleges have their own income plus central fund allocations if needed. However, if their budgets are balanced there is no deficit.

Professor Herman noted that interdisciplinary program problems may need to be addressed as faculty members are allocated from other departments. The Provost responded that the 20% to central administration will address those issues.

Professor Kruger recalled that last year's FAC recommendation was to maximize transparency of financial data to faculty. If data is only available at the College level it diminishes opportunities for success, learning and motivation. The Provost explained that the hybrid budget model was not designed to operate at the department level. Dean Gibson added that detailed information can send the wrong message and a balance sheet can drive behavior so that it may not be constructive on the department level.

A motion to adjourn was seconded.

The Senate adjourned at 1:18 PM

Respectfully submitted,

Arun Bansil, Secretary
Faculty Senate