

Report of the 2021-2022 Financial Affairs Committee (April 12, 2022)
Professors Shannon Alpert, Blaine Saito, Joseph McNabb, Hameed Metghalchi,
Gary Young, Deb Copeland (Chair)

Charges from the Senate Agenda Committee to the 2021/22 Financial Affairs Committee (FAC):

1. Considering increases in the cost of living and the special circumstances induced at the end of COVID-19 pandemic, the Committee shall: (a) examine the total faculty compensation; (b) review match-mate institution data and compare salary raises; (c) make recommendations for 2022 merit raises for full time faculty (**Report, Senate Minutes, February 16, 2022**)
BE IT RESOLVED That the recommended raise pool for merit for FY 2022 be 8.0%, at a minimum, of continuing salaries starting on July 1, 2022. (**Resolution passed 30-0-0, February 16, 2022**)
2. The Committee should monitor the progress on a number of issues from past Senate approved FAC reports that have either been tabled or otherwise yet to be addressed: (a) In collaboration with the Provost's office, follow up on the 2018/19 report on housing and faculty; (b) Transportation and parking: (i) Review area universities re: faculty and staff incentives regarding transportation (i.e. parking, public transit) and recommend NU incentives; (ii) Evaluate opportunities for improvement in ride share parking spaces across available NU parking lots and examine extension of the discount/voucher policies established during COVID-19 lockdowns; (c). In collaboration with human resources, explore feasibility of including a "two-person" option for university offered healthcare plans; (d) Evaluate efforts to include the Recreation Center Fee as part of the benefits to faculty
3. The Committee, in collaboration with the FTNTTFC and University Decision Support, shall: (a) Annual review of granular match-mate data for FTNTT faculty salaries that have been shared by the Provost's Office and the Deans of the three colleges involved in the equity process in 2021; (b) Propose guidelines to expand the evaluation of FTNTT salaries to other colleges along with data from the Colonial Group; (c) Make recommendations regarding FTNTT faculty compensation.
4. Whereas faculty and staff are receiving information regarding a Blue Cross Blue Shield Class Action Suit, work with University Administration to evaluate eligibility of faculty and staff, and communicate information prior to the November 1st, 2021 deadline for claim submission. <https://www.bcbssettlement.com/> (**Statement emailed to Faculty, October 27, 2021**)
5. Evaluate the recently established university faculty equity process with regard to process and faculty and administrator satisfaction and make recommendations for process improvement as appropriate.
6. The committee shall review progress on senate resolution 4-21-2021 regarding "costs and custodian for fund selections" in retirement accounts, and the implementation of the Vanguard Target Fund option as part of 403(b).

Charge #2 The Committee should monitor the progress on a number of issues from past Senate approved FAC reports that have either been tabled or otherwise yet to be addressed: (a) In collaboration with the Provost’s office, follow up on the 2018/19 report on housing and faculty; (b) Transportation and parking: (i) Review area universities re: faculty and staff incentives regarding transportation (i.e. parking, public transit) and recommend NU incentives; (ii) Evaluate opportunities for improvement in ride share parking spaces across available NU parking lots and examine extension of the discount/voucher policies established during COVID-19 lockdowns; (c). In collaboration with human resources, explore feasibility of including a “two-person” option for university offered healthcare plans; (d) Evaluate efforts to include the Recreation Center Fee as part of the benefits to faculty.

The University has acted on recommendations from previous FAC reports. There are two examples of these actions. First are collaborations with Landed.com to support faculty in the home buying process. Second, in the fall of 2021, faculty and staff were offered a “two-person” option in the healthcare plan.

To address this charge and determine the faculty satisfaction with the remaining element of the charge, a survey was deployed in the fall of 2021 to capture faculty satisfaction with transportation, parking and recreation center fees.

| | Total (n) | Dissatisfied (%) | Satisfied (%) |
|----------------|-----------|------------------|---------------|
| Transportation | 377 | 49.3 | 50.7 |
| Parking | 363 | 77.4 | 22.6 |
| Recreation Fee | 326 | 28.2 | 62.3 |

62.3% of respondents were satisfied with the recreation fee and access to that benefit on the Boston campus. Comments did include the university should consider how campuses across the network may deliver a similar benefit to employees on the Boston campus.

Transportation satisfaction was almost evenly split in their reported satisfaction (51%) and dissatisfaction (49%). But parking satisfaction was 23%. 274 faculty submitted written comments to explain their rating. Many comments included references to high prices, prohibitive costs, inflexible policies and lack of options.

The results of the survey were shared with the Vice President and Chief Human Resources Officer and the Senior Vice Provost of Academic Affairs. For additional follow-up on this charge the FAC met with the Chief Financial Officer (CFO) who offered details related to the 50-year parking agreement with MasParc. Based on that contract, Northeastern cannot make any changes that materially changes MasParc’s revenue expectations. For example, should the university decide to incentivize public transportation, this may result in a breach of the contract, because it would lead to fewer people using MasParc’s services and thereby could constitute a material change in MasParc’s revenue expectations over the 50-year contract term. Open communications between the university and MasParc are maintained by two individuals from the Office of Finance and Office of General Counsel. Should faculty be interested in suggesting modifications to parking, these individuals would be the conduits to receive requests, engage with internal leads and advance approved suggestions to MasParc.

Summary of benefits of area universities from websites

| Institution | Transportation | Parking | Recreation Fee | Other |
|--------------|--|------------------------|----------------|--|
| Boston U | 50% subsidy of the cost for all monthly transit passes – Transit Station Parking (Set aside pre-tax dollars from your paycheck to pay for your work-related parking costs at MBTA transit stations (up to \$135 per month); AND BU will match your election dollar-for-dollar) | 2080/yr | \$250/yr; | Blue Bikes (\$60/yr); visit www.RealEstateAdvantageProgram.com |
| Tufts | The subsidy is as follows: Boston and Fenway campuses – 40% subsidy up to a maximum of \$55 per employee per month; Medford and Grafton campuses – 35% subsidy up to a \$40 maximum per employee per month. Pre-tax Parking/Transit IRS mos limit \$280. limit (thru EBPA) | varied based on campus | \$100.00/yr | GreenTravel; Boston=https://sustainability.tufts.edu/wp-content/uploads/Boston-Commuting-Brochure-2021.pdf ; Transportation Demand Report |
| MIT | 75% discount on monthly pass ; 100% reimbursement MBTA parking costs* | 1995./yr | | \$40/yr BlueBikes |
| Northeastern | Pre-tax T-pass for the monthly, no subsidy (beyond pre-tax) | 2427/yr | \$270.00 | \$80/yr BlueBikes |

*[Temporary increase](#) until 6/30/2022; typically MIT offers a 60% commuter rail subsidy and a 50% subsidy for parking at MBTA stations, up to \$100 per month

As reported last year, the FAC's meetings with NU leaders from HR and Finance highlight the value of open communication to continue to share strategies to modify and/or improve benefits.

Charge #3: The Committee, in collaboration with the FTNTTFC and University Decision Support, shall: (a) Annual review of granular match-mate data for FTNTT faculty salaries that have been shared by the Provost's Office and the Deans of the three colleges involved in the equity process in 2021; (b) Propose guidelines to expand the evaluation of FTNTT salaries to other colleges along with data from the Colonial Group; (c) Make recommendations regarding FTNTT faculty compensation.

The FAC and FTNTTFC met several times to discuss the mutual charges. The FTNTTFC took the lead to determine a strategy to obtain granular match-mate data.

On April 6, 2022, the Senior Vice Provost of Academic Affairs reported to the Senate that the three colleges/schools that are scheduled for equity will receive match-mate data for FTNTT as well as T/TT. The delivery of this information in a timely manner will dramatically improve the ability for individuals to consider requests for equity adjustments.

The FAC commends the Provost's Office for its proactive steps. It also recommends the Provost's Office consider delivering match-mate information annually at least three months in advance of the due date for equity request to provide faculty ample time to prepare an equity request packet.

Charge 5: Evaluate the recently established university faculty equity process with regard to process and faculty and administrator satisfaction and make recommendations for process improvement as appropriate.

The university equity compensation process occurs on a rotating basis with three colleges/schools eligible for equity compensation adjustments every three years. In fall of 2021, faculty members responded to the Faculty Senate survey that included prompts related to the university faculty equity compensation process. After reviewing the survey responses, the following themes emerged: Faculty need additional time and clearer instructions to submit a request for an equity compensation adjustment. Faculty who are part of under-represented groups should be encouraged to apply for an equity compensation adjustment as appropriate.

BE IT RESOLVED that faculty in units undergoing the equity process receive compensation data 3 months in advance of the time they are eligible.

BE IT FURTHER RESOLVED that the provost and HR work with units to support a transparent process with clear timelines and proper templates and share smart practices among the units.

BE IT FURTHER RESOLVED that the heads of units identify and encourage faculty members to apply for equity adjustments, particularly those who may be part of under-represented groups such as women, racial minorities, and non-cis gender people.

Charge 6: The committee shall review progress on senate resolution 4-21-2021 regarding "costs and custodian for fund selections" in retirement accounts, and the implementation of the Vanguard Target Fund option as part of 403(b).

The Chief Financial Officer (CFO) described the process created for the university to meet its fiduciary obligations to all beneficiaries of the University's 403(b) Plans. Plan beneficiaries include all current and former employees of the University that have assets invested in the Plans.

The CFO outlined that he and other members of the Plan Committee, who serve as the fiduciaries for the 403(b) Plans, meet on a quarterly basis. They work with an independent retirement plan consultant group with no ties to the current Plan custodians, Fidelity and TIAA-CREF, or other investment firms to examine the performance of the fund selections in the Plans. They also work with outside counsel at these meetings.

At their quarterly meetings, the advisory firm produces its analysis of the various performance of the fund offerings in the Plans. These performance analyses are done on a net basis, meaning that the analysis considers the expense ratio and any other expense when determining plan performance. If an offering is underperforming when compared to similar funds in its class, the Plan Committee often puts it on a watch list. Should underperformance continue over multiple quarters, the Plan Committee will drop that offering and with the assistance of the advisory firm, seek a replacement.

The FAC commends the CFO for his transparency on this issue. It recommends that there be increased

communication and transparency between the Plan Committee and beneficiaries about the procedures the Plan Committee uses in selecting funds and some of the analysis and reasoning behind its choices in fund selection. It further recommends that the Plan Committee continue to work vigilantly to keep all costs of the Plan low, by continuing to monitor funds on a net basis, seeking funds with the lowest expense ratios, and monitoring any other Plan costs.