

**Presentation of the 2015-16
Financial Affairs Committee (FAC)
to the Faculty Senate on December 9, 2015**

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Charge #1 from the Senate Agenda Committee to the 2015-16 Financial Affairs Committee

Based on current information and any other analyses that it may wish to undertake, the Committee is asked to make recommendations on appropriate merit and market adjustment increases for FY 2017. The Committee should present its recommendations electronically on these matters to the Faculty Senate Agenda Committee by 17 November 2015 for presentation to the Senate on 9 December.

Background

- Weekly committee meetings
- Met with Vice Provost Mary Loeffelholz
- Met with Provost Jim Bean
- Analyzed data requested from Mary Loeffelholz

Overview of Presentation

Resolutions in 4 categories:

- Resolution #1 concerns salary increases due to promotion in-rank.
 - Rationale
- Resolutions #2a-d concerns merit and equity.
 - Rationales
- Resolution #3 concerns recommendations for salary increases.
 - Review of information on match-mates.
 - Cost-of-living issue.
- Resolution #4 concerns a group health insurance plan for retired faculty.
 - Rationale
- After presentation we will go through the resolutions one-by-one for discussion and vote.

Resolution #1: BE IT RESOLVED THAT the funds for these salary increases for promotions (currently 10%) be drawn separately from the merit and equity pool in each college/school. Be it further resolved that the salary increase percentage for promotions be announced at the same time that the merit and equity pools are announced.

Rationale:

- A 10% salary boost rewards faculty who achieve promotion in rank.
- Promotion raises are often drawn from the general (merit & equity) raise pool.
- As a result departments* which are successful in mentoring and promoting its members are financially penalized inadvertently.
- Over the last 5 years, an annual average of 16.2 Assistant-to-Associate and 10.2 Associate-to-Full promotions. Estimated annual university-wide cost \cong \$320,000.

* or the relevant academic unit where departments do not exist

4 Related Resolutions on Merit & Equity

- **Resolution #2a: BE IT RESOLVED THAT** although the percentage of the raise pool devoted to merit may vary among the academic departments (or the relevant academic unit where departments do not exist), it should be clearly defined and communicated to the faculty. It is proposed that merit not be less than 85% of the raise pool in any department/unit with the difference (no greater than 15%) going to equity.
- **Resolution #2b: BE IT RESOLVED THAT** the funds for the equity pool be distributed according to the procedures specified in the *Faculty Handbook* (Appointments and Compensation section, pp. 4-6) with *transparency*. The department chair (or the relevant academic unit chair where departments do not exist) will inform the faculty in that department/unit as to the number of faculty given an equity adjustment, the median and average adjustments, and the percentage of the raise pool in that department/unit devoted to equity, provided that individual faculty raises are not disclosed.

- **Resolution #2c: BE IT RESOLVED THAT** the wording “The department chair (or the relevant academic unit chair where departments do not exist) will inform the faculty in that department/unit as to the number of faculty given an equity adjustment, the median and average adjustments, and the percentage of the raise pool in that department/unit devoted to equity.” be added as the second paragraph of C.c.5 (Rights to Information) of the Faculty Handbook Section on Appointments and Compensation (see Appendix A).
- **Resolution #2d: BE IT RESOLVED THAT** each department (or the relevant academic unit where departments do not exist) establish detailed procedures for determining equity adjustments that are consistent with the *Faculty Handbook*. Departments/units will send their written procedures to the dean of their respective colleges for approval.

Rationale for Resolutions 2a-d

The equity process should be as transparent as the merit process. Given the existing guidelines on the merit process in the Faculty Handbook, we recommend that similarly explicit guidelines be included for equity.

- **Merit Review:** The Faculty Handbook (Appointments and Compensation Section) gives faculty the responsibility for merit review.

“In the faculty area, the criteria for merit, and the method by which merit evaluation results are applied to the determination of individual salary increases, are determined by the Teaching Faculty of the department (or the relevant academic unit where departments do not exist).”

“Each salary determination must be based on a merit evaluation of the faculty member's performance over the past year, with respect to each of the criteria.”

Faculty Handbook Section on Appointments and Compensation

4) Process for Awarding Equity

When equity funds have been allocated, a request for equity adjustment may be made by a Dean, a Department Chair, or a faculty member.

Individual faculty members or groups should submit requests for equity in writing through the relevant unit and/or college and should state the grounds for equity based on the considerations of sections 1, 2, and 3 above. Deans shall forward all equity requests, along with their written recommendations, to the Provost for final disposition.

Rationales for Resolutions 2a-d, cont'd

- Merit and Equity have different functions.
- More explicit guidelines should address the perception/misperception that “equity” has been used to circumvent the “merit” review procedure.
- There is a need for transparency in equity.
- It is proposed that a minimum of 85% for merit be established.

Resolution #3: BE IT RESOLVED THAT the raise pool for merit and equity (with promotion excluded) for FY 2017 be recommended as 4% of continuing salaries starting on July 1, 2016.

Issues:

- Comparisons with Match-Mate Institutions
- Interpretation of Match-Mate Data
- High Cost of Living in the Boston Area

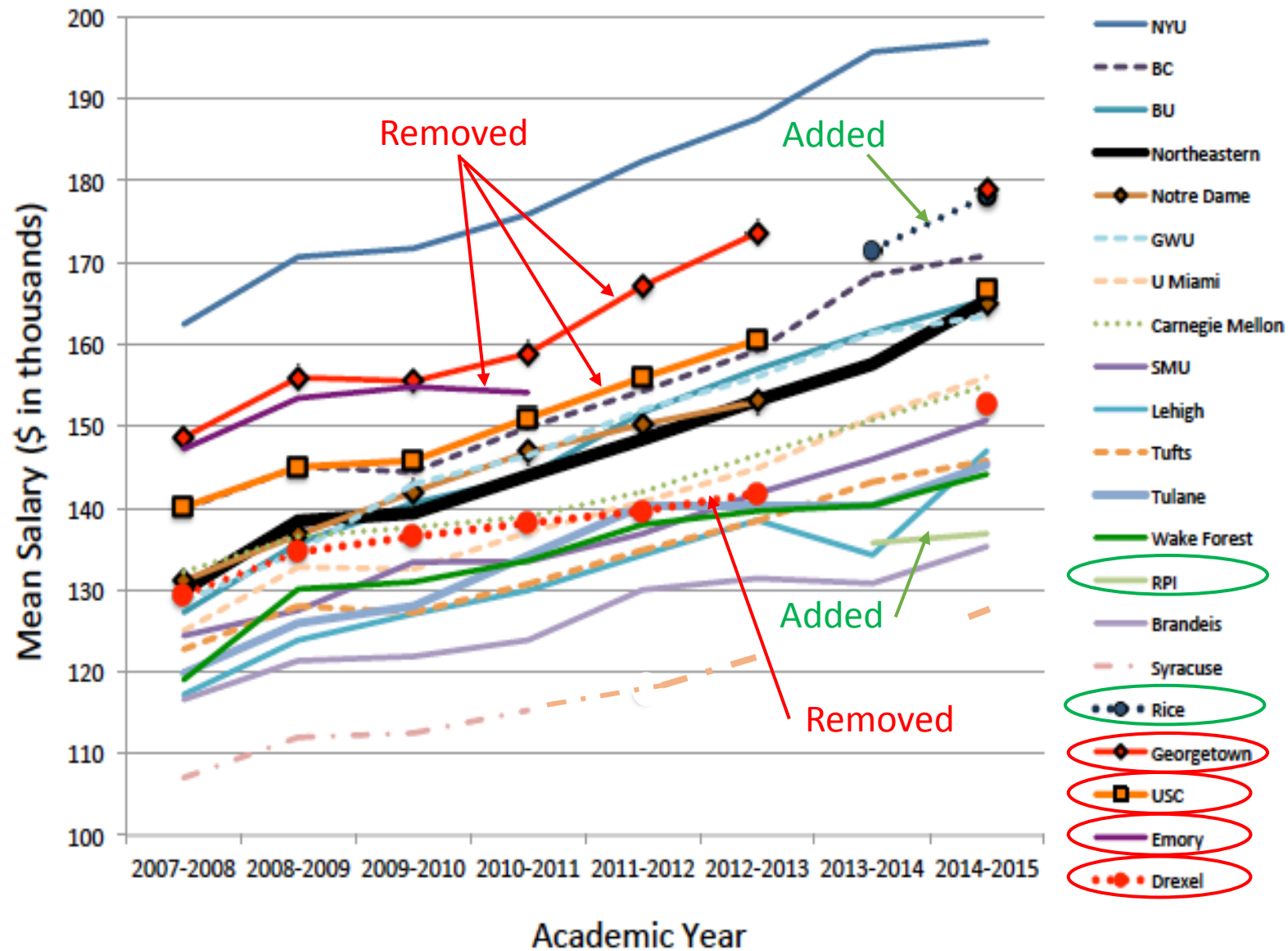
NU vs. Match-Mates 2014-15

Professor	Mean Salary*	Associate	Mean Salary*	Assistant	Mean Salary*
NYU	196.9	NYU	114.7	NYU	111.2
Rice University	178.1	Northeastern	114.7	Carnegie Mellon	106.1
Boston College	170.8	Boston University	113.6	Northeastern	102.2
Boston University	165.5	Rice University	111.7	Southern Methodist	99.0
Northeastern	165.4	Boston College	110.1	Rice	98.5
Notre Dame	164.9	George Washington	109.9	Boston University	96.8
George Washington	163.5	Notre Dame	108.7	Notre Dame	95.7
University of Miami	156.0	Carnegie Mellon	108.3	Lehigh	95.0
Carnegie Mellon	155.0	Tufts University	104.5	RPI	93.5
SMU	150.7	SMU	103.0	Boston College	92.3
Lehigh	147.0	University of Miami	102.5	George Washington	90.1
Tufts	145.8	Brandeis	99.0	University of Miami	86.9
Tulane	145.3	Lehigh	98.2	Tufts	86.5
Wake Forest	144.1	RPI	97.5	Brandeis	85.3
RPI	136.9	Wake Forest	96.5	Tulane	83.2
Brandeis	135.3	Syracuse	94.6	Wake Forest	80.9
Syracuse	127.7	Tulane	90.8	Syracuse	76.5
Average	155.8	Average	104.6	Average	92.9

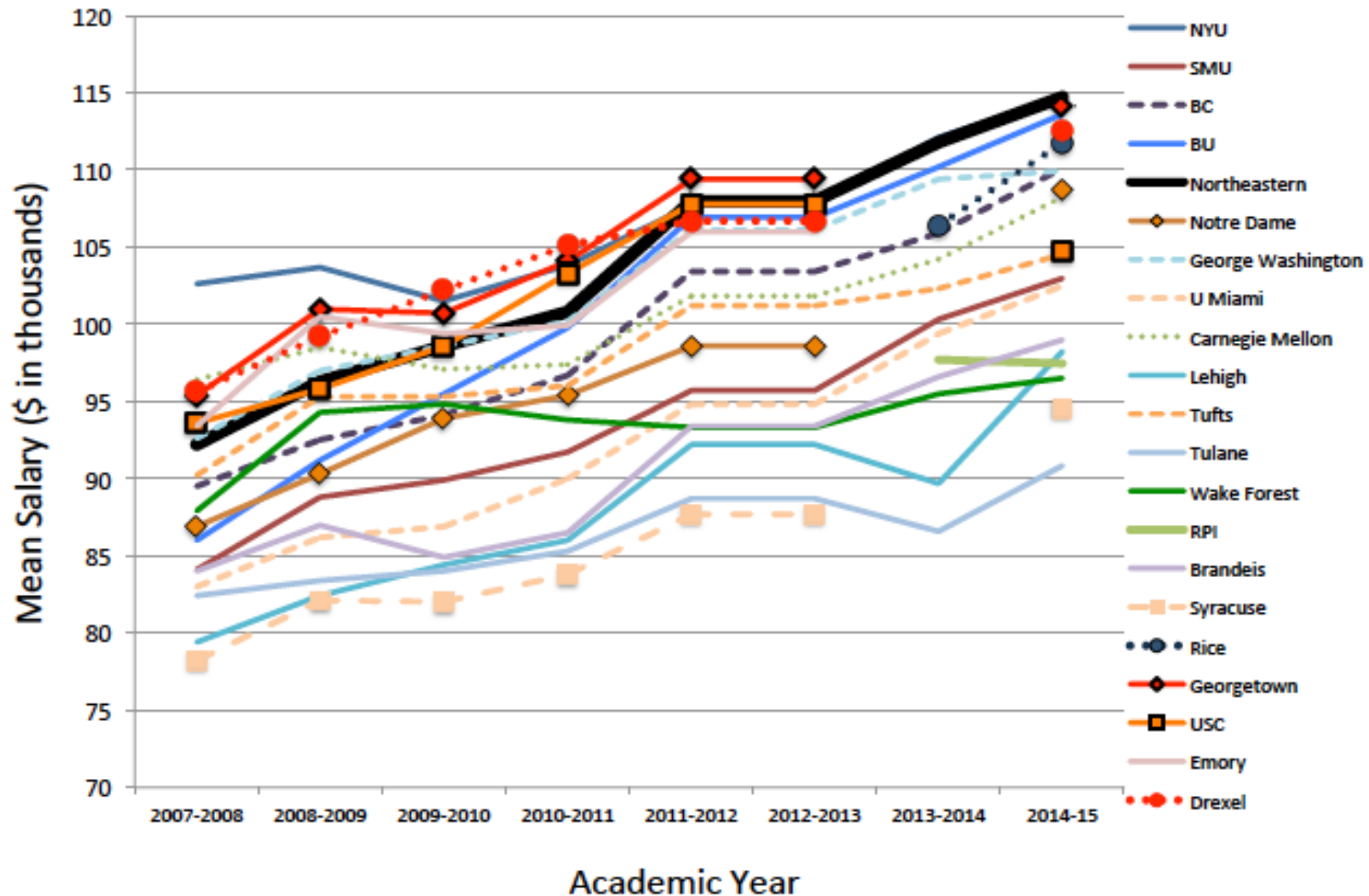
**2014-15
Includes
Additional
Match-Mates**

Professor	Mean Salary*	Associate	Mean Salary*	Assistant	Mean Salary*
NYU	196.9	NYU	114.7	Georgetown	126.2
Georgetown	178.9	Northeastern	114.7	NYU	111.2
Rice University	178.1	Georgetown	114.2	Carnegie Mellon	106.1
Boston College	170.8	Boston University	113.6	Northeastern	102.2
USC	166.8	Drexel	112.5	Drexel	100.1
Boston University	165.5	Rice University	111.7	Southern Methodist	99.0
Northeastern	165.4	Boston College	110.1	Rice	98.5
Notre Dame	164.9	George Washington	109.9	Boston University	96.8
George Washington	163.5	Notre Dame	108.7	Notre Dame	95.7
University of Miami	156.0	Carnegie Mellon	108.3	Lehigh	95.0
Carnegie Mellon	155.0	USC	104.7	RPI	93.5
Drexel	152.6	Tufts University	104.5	USC	92.9
SMU	150.7	SMU	103.0	Boston College	92.3
Lehigh	147.0	University of Miami	102.5	George Washington	90.1
Tufts	145.8	Brandeis	99.0	University of Miami	86.9
Tulane	145.3	Lehigh	98.2	Tufts	86.5
Wake Forest	144.1	RPI	97.5	Brandeis	85.3
RPI	136.9	Wake Forest	96.5	Tulane	83.2
Brandeis	135.3	Syracuse	94.6	Wake Forest	80.9
Syracuse	127.7	Tulane	90.8	Syracuse	76.5

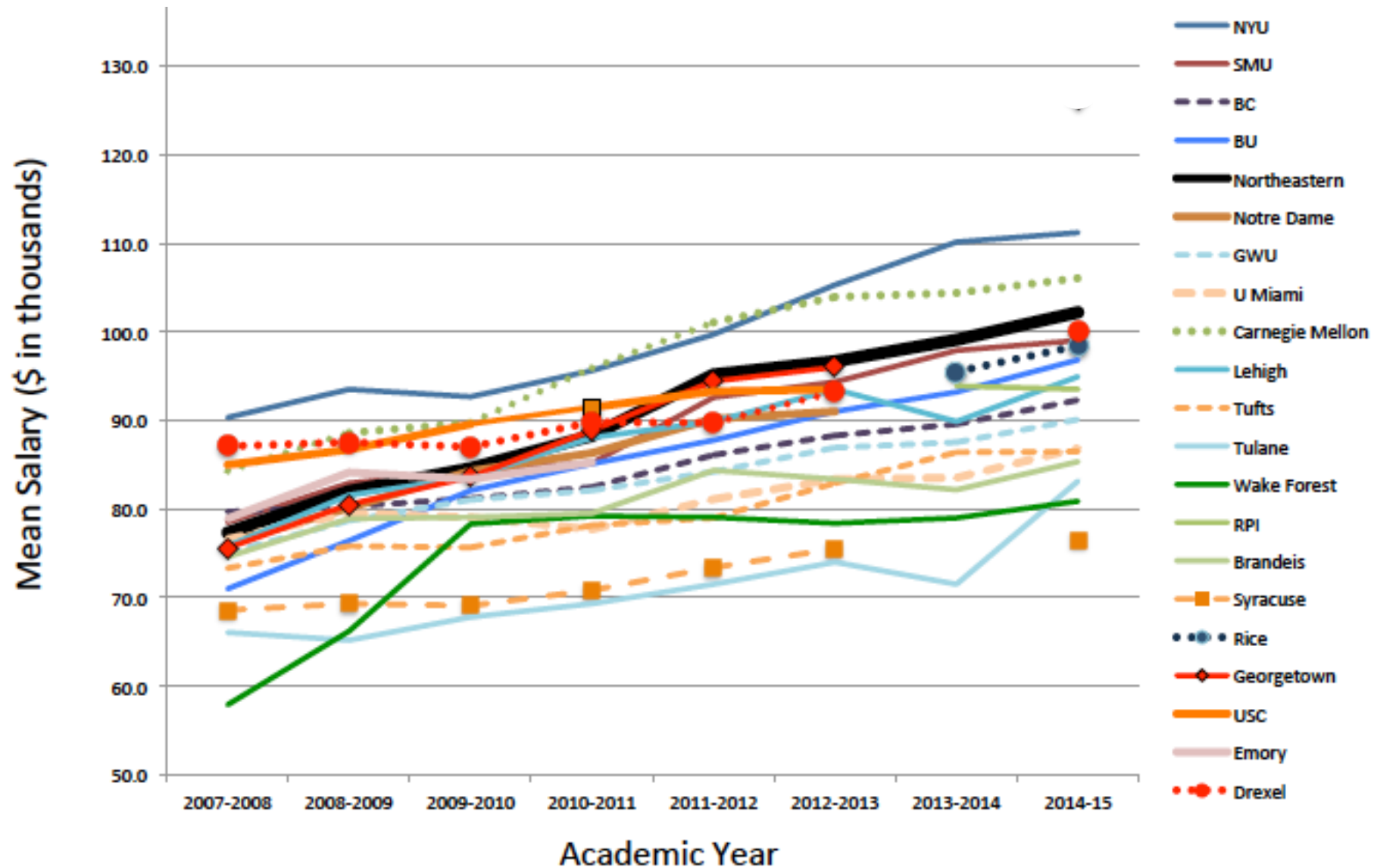
Full Professors – Includes All Match-Mates



Associate Professors – Includes All Match-Mates



Assistant Professors – Includes All Match-Mates



Who is Included in the Data?

“The salary and compensation data cover instructional and research staff members who work full time and whose primary role (more than 50 percent) is instruction, regardless of their official faculty status. The calculations exclude part-time faculty members, medical school faculty members, professors at military institutions who are compensated on a military pay scale, those with faculty status who are primarily administrative officers, and graduate teaching assistants. Some institutions include data for professional school faculty members.”

Northeastern does not include Teaching Faculty (formerly Academic Specialists). It is unclear what other institutions do with regard to including their lecturers or other non-tenure track faculty.

Cost of Living (COL) Compared to Boston

City	COL*	Relevant Match-Mates
Albany	0.766	Rensselaer Polytechnic Institute
Allentown, PA	0.752	Lehigh University
Boston	1.000	NU, BC, BU, Tufts, Brandeis
Dallas	0.696	Southern Methodist University
Houston	0.720	Rice University
Miami	0.809	University of Miami
New Orleans	0.705	Tulane University
Manhattan (1.615), Brooklyn (1.233)	1.424	New York University
Pittsburgh	0.700	Carnegie-Mellon University
Rochester (in place of Syracuse)	0.721	Syracuse University
South Bend, IN	0.655	Notre Dame University
Washington, DC	1.028	George Washington University
Winston-Salem, NC	0.662	Wake Forest

* From money.CNN.com/calculator/pf/cost-of-living/ (accessed October 2015)

Cost-of-Living Adjusted Salaries

Professor	Ave. Salary*	Associate	Ave. Salary*	Assistant	Ave. Salary*
Rice University	247.3	Notre Dame	165.9	Carnegie Mellon	151.5
Carnegie Mellon	221.5	Rice	155.2	Notre Dame	146.0
Wake Forest	217.6	Carnegie Mellon	154.7	SMU	142.3
SMU	216.6	SMU	148.0	Rice University	136.7
Notre Dame	215.2	Wake Forest	145.7	Lehigh	126.3
Tulane	206.1	Syracuse	131.2	Wake Forest	122.2
Lehigh	195.5	Lehigh	130.6	RPI	122.1
U Miami	192.9	Tulane	128.8	Tulane	118.0
RPI	178.7	RPI	127.2	U Miami	107.4
Boston College	170.8	U Miami	126.7	Syracuse	106.1
Syracuse	177.0	Northeastern	114.7	Northeastern	102.2
Boston University	165.5	Boston University	113.6	Boston University	96.8
Northeastern	165.4	Boston College	110.1	Boston College	92.3
George Washington	159.0	George Washington	106.9	George Washington	87.6
Tufts	145.8	Tufts	104.5	Tufts	86.5
NYU	138.3	Brandeis	99.0	Brandeis	85.3
Brandeis	135.3	NYU	80.6	NYU	78.1
Average	185.2		126.1		112.2
NU Minus Average	-19.8		-11.4		-10.0

Average of COLA and Unadjusted Salaries

Professor	Avg. Salary*	Associate	Avg. Salary*	Assistant	Avg. Salary*
Rice	212.7	Notre Dame	137.3	Carnegie Mellon	128.8
Notre Dame	190.1	Rice University	133.5	SMU	120.6
Carnegie Mellon	188.2	Carnegie Mellon	131.5	Notre Dame	120.9
SMU	183.6	SMU	125.5	Rice	117.6
Wake Forest	180.8	Wake Forest	121.1	Lehigh	110.6
U Miami	174.4	Northeastern	114.7	RPI	107.8
Boston College	170.8	Boston University	113.6	Northeastern	102.2
Tulane	175.7	U Miami	114.6	Tulane	100.6
Lehigh	171.2	Lehigh	114.4	Wake Forest	101.5
Boston University	165.5	RPI	112.3	Boston University	96.8
Northeastern	165.4	Boston College	110.1	U Miami	97.1
NYU	167.6	Syracuse	112.9	Boston College	92.3
George Washington	161.3	George Washington	108.4	NYU	94.6
RPI	157.8	Tulane	109.8	Syracuse	91.3
Tufts	145.8	Tufts	104.5	George Washington	88.9
Syracuse	147.2	Brandeis	99.0	Tufts	86.5
Brandeis	135.3	NYU	97.7	Brandeis	85.3
Average	170.5		115.3		102.6
NU Minus Average	-5.1		-0.6		-0.4

NU Salaries by Percentiles

Indicator by Rank	Faculty Salaries (\$)		
	2013-2014	2014-2015	2015-2016
Professor			
25th%	128,344	133,706	135,021
Median	148,694	156,674	160,167
Mean	157,600	165,400	169,311
75th%	180,072	186,926	192,808
Associate Professor			
25th%	91,998	93,854	96,289
Median	102,980	106,885	110,213
Mean	111,800	114,700	118,024
75th%	123,864	126,868	129,724
Assistant Professor			
25th%	78,470	79,500	84,260
Median	89,610	91,050	94,339
Mean	99,100	102,200	108,576
75th%	112,450	111,260	118,354

Mean is greater than median by:

\$9,100

\$7,800

\$14,200

Longer Term Issues

- Discuss how the selection of match-mates by the Provost Office might include input from FAC
- Discuss how to factor in Cost-of-Living
- Determine which faculty (tenured/tenure-track and lecturers/teaching faculty) are included by other match-mate universities for a more accurate comparison
- Consider using the median salaries, rather than the mean, for comparison

Resolution #4: BE IT RESOLVED THAT the University explore the establishment of a health insurance group for the benefit of retired employees. University funding is not requested; only the University's commitment to explore the establishment of such a health insurance group.

Rationale:

- Post-retirement insurance plans are very costly.
- Establishment of a health insurance group could reduce costs.
- No university funding is requested.

Notes:

- FAC will conduct a more comprehensive review of benefits in the spring.
- Exploration and possible establishment of these plans require lead-time.
- Could affect some faculty plans to retire.
- We are offering this resolution sooner rather than later.

Resolution #1: BE IT RESOLVED THAT the funds for the 10% salary increase for promotions **be drawn from a pool separate** from the merit and equity pool in each college/school.

Resolution #2a: BE IT RESOLVED THAT although the percentage of the raise pool devoted to merit may vary among the academic departments (or the relevant academic unit where departments do not exist), **this percentage** should be clearly defined and communicated to the faculty. It is proposed that merit **be not** less than 85% of the raise pool in any department/unit with the **remainder** (no greater than 15%) going to equity.