

Report of the 2020-2021 Financial Affairs Committee (January 4, 2021)
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Charges from the Senate Agenda Committee to the 2020/21 Financial Affairs Committee (FAC) include:

1. Considering the yearly increases in the cost of living and the special circumstances induced by the COVID-19 pandemic the Committee shall (a) examine the total faculty compensation, (b) review of match-mate institution data and compare salary raises, and (c) make recommendations for 2021 merit raises for full time faculty.

The Committee will address the additional charges later in the academic year.

For the first time, data about salaries for FY2020 reported to the AAUP includes FTNTT faculty. This was done on request from AAUP. Given the large number of FTNTT faculty, this caused the reported average salary for FY2020 full time faculty to be lower than the previous year. This is despite a reported average salary increase of 3.6% for Northeastern's continuing faculty for that reporting period.

It was expected that this change in AAUP reporting would affect all of our matchmates, but this is not the case. While our reported average salary declined, all of our matchmates' salaries increased by 3-4%. The reasons for this disparity are unclear.

The result is that our comparative ranking in the AAUP data dropped from 51 in 2018/9 to 113 in 2019/20. This is significant because this ranking comprises a portion of the overall ranking and likely played a role in the decline in Northeastern's overall ranking (from 40 to 49). Even if this change in reporting had not occurred, Northeastern's salaries continue to drag down our overall rankings since our salary increases have basically matched our matchmates. When taking COLI into account (which USNWR rankings do) all ranks at Northeastern rank substantially below our matchmates. (see table 3)

The changes in the AAUP reporting requirements makes our matchmate comparisons more challenging. There are wide variations in the number of FTNTT faculty across our matchmates and, in addition, there are questions about whether our matchmates are including these salaries in their reports. The fact that our matchmate's salaries went up this year while ours declined suggests either others made this change earlier or they are not including FTNTT faculty salaries in their reports.

Northeastern conservatively and prudently froze merit increases for FY2021. Most of our matchmate institutions did the same. It should be added that in the face of all the uncertainty facing the FY2021 budget, Northeastern, unlike a number of other institutions, did not suspend the University's contribution to the retirement plans.

Northeastern had a large operating budget surplus in FY2020. Given the significant expenses such as for COVID testing, classroom adaptations, and challenges in Graduate enrollment, a large surplus (if any) for FY2021 would be surprising. While much uncertainty undoubtedly remains for planning the FY2022 budget, very positive signs (particularly in enrollment), the impact of vaccines, and the improvement in the situation for Graduate students suggests that Northeastern will return to the recent pattern of significant surpluses. Addressing the serious deficits in salary for continuing faculty should be a high priority for the FY2022 budget.

BE IT RESOLVED That the recommended full-time faculty raise pool for merit and equity for FY 2022 be 4.0% of continuing salaries starting on July 1, 2021.

DISCUSSION

For purposes of comparison, the FAC used the same “Colonial Group plus” schools that the University uses. While not an official match-mate list, the Senate, along with the University, have used this same list for the past few years. Table 1 lists the Universities and their 2021 USNWR rankings. For comparison, rankings from 2020 are included. The “average” rankings of the group (41) is slightly lower than Northeastern’s ranking (49). As reported last year, this group is more of a peer group than an aspirational group.

Table 2 is the USNWR compensation rankings for the same group. Note that while Northeastern’s overall ranking is “49,” our compensation ranking is “113”. This is a dramatic decline from a year ago (“51”). It is important to note that, for the first time, all NU data discussed in this report included FTNTT teaching faculty because AAUP and US News clarified their definitions of which types of faculty to include and exclude and requested salary data include all ranks and groups of faculty. When considering plausible explanations for the drop in NU’s compensation rank, one may theorize that because of our large population of FTNTT faculty (46.5%) who may be compensated at a lower rate would explain the drop in ranking. However, Boston University, which reports ~53% FTNTT population observed a small decline in their ranking (42 in 2018/19 and 44 in 2019/20). Tufts University reports ~50% FTNTT faculty and their ranking dramatically improved (114 in 2018/19 and 46 in 2019/20). Using a dilution rationale for the NU salary drop would be imprudent.

Table 3 breaks down compensation by rank of all faculty (tenure/tenure track and FTNTT) along with adjustments for 25% and 50% cost of living factors. The chart shows that Northeastern’s “raw” compensation at all ranks is 5-7% below the average for the match-mate group. The Northeastern administration analyses use 25% of the cost of living differential in calculating adjusted compensation. We have included this information. The chart shows that at the “25% adjusted” compensation rate, Full Professors fall 5% below while Associate and Assistant Professors are 10-13% below average. If we consider the impact of 50% adjustment of the cost, a figure that seems more realistic, all three ranks fall 10% or more below the average of our peer institutions.

The raise pool for 2020/21 was frozen for logical reasons (i.e., spring 2020 reimbursements, cost incurred for on-campus COVID-19 testing, technological classroom enhancements and concerns for possible decreased tuition revenues). However, the University entered the COVID-19 pandemic in a strong financial position as the chart below on “net operating surplus” indicates. Despite all of the challenges that the COVID-19 pandemic placed on the University, it would appear that the University is in a positive financial position to begin steps to address compensation misalignment especially for faculty at the associate, assistant and full time non-tenure track rank positions.

Net Operating Surplus (Increase in net assets from operating activities)

FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
\$70,737,000	\$66,315,000	\$107,580,000	\$135,715,000	\$184,572,000

Source: Northeastern University Financial Statements

<https://finance.northeastern.edu/wp-content/uploads/Northeastern-University-FY20-Financial-Statements-Final.pdf>)

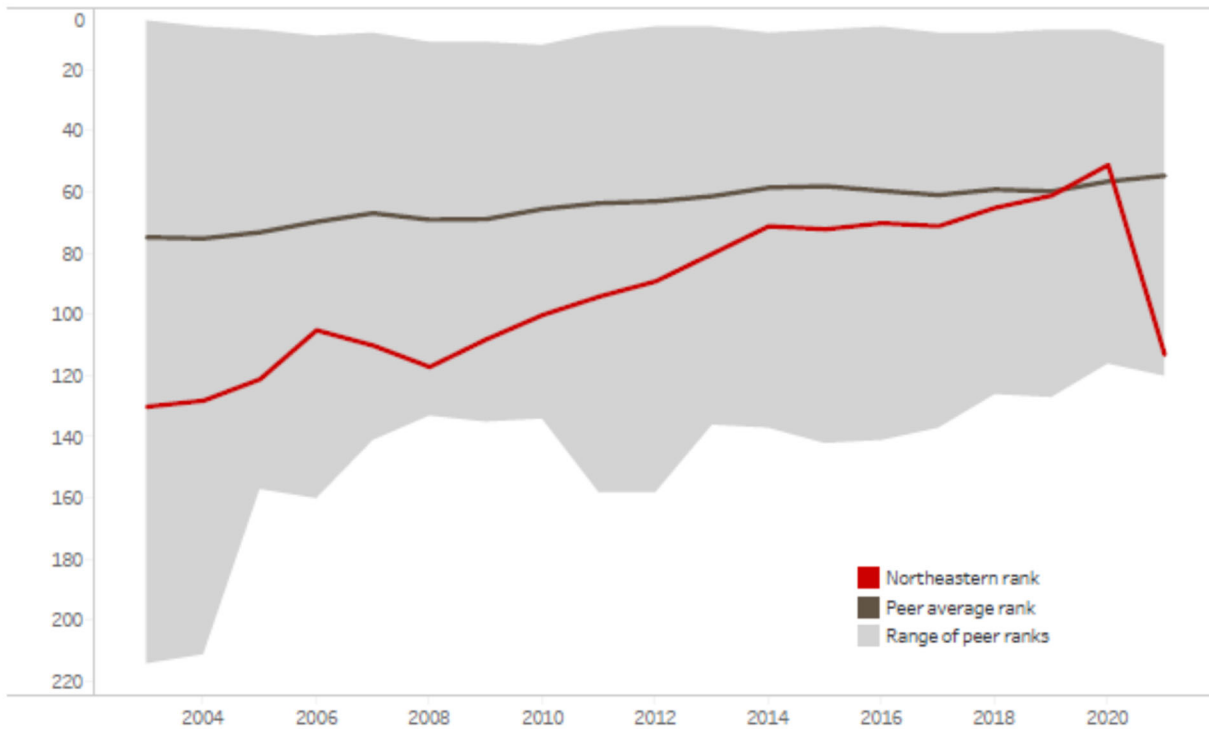
Table 1

University	USNWR Ranking* (2021)	USNWR Ranking (2020)
Boston College	35	37
Boston University	42	40
Brandeis	42	40
Carnegie-Mellon University	26	25
George Washington University	66	70
Lehigh University	49	50
New York University	30	29
Northeastern University	49	40
Notre Dame University	19	15
Rensselaer Polytechnic Institute	53	50
Rice University	16	17
Southern Methodist University	66	64
Syracuse University	58	54
Tufts	30	29
Tulane University	41	40
University of Miami	49	57
Wake Forest University	28	27
Average Ranking	41.12	40.24

(*Source: <https://www.usnews.com/best-colleges/rankings/national-universities>)

Table 2

US News Faculty Compensation Rank
Northeastern and Comparison Group



	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21
Northeastern University	130	128	121	105	110	117	108	100	94	89	80	71	72	70	71	65	61	51	113
Boston College	83	82	82	79	77	81	77	83	88	89	87	79	82	86	82	77	65	55	61
Boston University	214	211	157	146	129	125	121	104	88	72	68	56	50	44	44	48	49	42	44
Brandeis University	152	140	137	129	124	125	130	134	158	158	136	137	142	141	137	126	127	116	106
Carnegie Mellon University	16	21	22	19	19	18	21	21	22	25	28	31	34	33	40	57	57	25	25
George Washington University	130	140	151	160	141	133	135	134	123	120	121	111	114	118	119	111	104	116	81
Lehigh University	36	40	41	40	36	47	54	53	44	46	43	46	43	44	44	48	52	51	48
New York University	20	18	19	22	24	27	19	16	18	18	18	18	19	21	22	22	24	25	34
Rensselaer Polytechnic Institute	69	77	89	72	65	69	73	76	76	78	62	41	40	42	51	43	41	31	31
Rice University	4	6	7	9	8	11	15	12	8	7	8	8	7	6	8	8	7	16	17
Southern Methodist University	46	45	47	43	36	40	42	36	33	34	38	37	31	24	24	24	23	31	39
Syracuse University	117	116	110	99	106	105	104	104	113	108	105	96	96	99	100	94	102	89	113
Tufts University	127	128	121	105	100	109	114	111	116	112	110	111	102	111	110	111	114	109	120
Tulane University	46	48	59	66	65	66	65	55	44	57	62	60	55	63	76	65	65	83	46
University of Miami	55	54	52	43	43	40	31	31	33	34	38	41	40	37	36	35	41	73	61
University of Notre Dame	7	8	7	9	10	11	11	12	8	6	6	9	9	8	9	10	11	7	12
Wake Forest University	72	66	67	72	85	95	87	64	44	42	49	53	63	74	71	65	72	33	34

- Data reported in the 2021 edition for Northeastern includes full-time non-tenure track faculty; prior years included tenure track faculty only

Table 3

Source: AAUP, Institutional websites (merit freezes Y/N) and NU Administration

Note: USN rankings for 2018/9 was based on compensation; in 2019/20 it was based on salary only

Note: AscVicePrvst-InstRes&DecSupt stated "AAUP made some clarifications in their definition of which types of faculty to include and exclude in their data so for the first time we included FTNTT teaching faculty in the Assistant, Associate, and Full Professor lines."

Institution (USNWR rank)	COLI (Boston = 1.00) (CNN)	Merit freeze (Y/N) (2020/21)	2018/9 salary			2019/20 Salary			2019/20 salary adjusted			2019/20 Salary Adjusted			2018/19 Ranking	2019/20 Ranking	% of FT who are NTT
			Prof	Assoc	Asst.	Prof	Assoc	Asst	Prof	Assoc	Asst	Prof	Assoc	Asst			
Boston C (35)	1	Yes	188.5	120.0	114.6	190.9	122.9	114.6	190.9	122.9	114.6	190.9	122.9	114.6	55	61	29.5
Boston U (42)	1	Yes	190.5	131.3	108.7	197.7	135.1	110.7	197.7	135.1	110.7	197.7	135.1	110.7	42	44	52.7
Brandeis (42)	1	Yes	158.3	112.7	93.1	161.8	114.8	95.3	161.8	114.8	95.3	161.8	114.8	95.3	116	106	31.1
Carnegie Mellon (26)	1.47	No	167.0	115.2	106.9	171.6	118.3	107.8	191.8	132.2	120.5	211.9	146.1	133.1	25	25	26.5
GWU (66)	0.92	Yes	183.3	118.8	99.6	187.6	119.0	102.6	183.8	116.6	100.5	180.1	114.2	98.5	116	81	33.7
Lehigh (49)	1.41	Yes	161.7	109.2	101.0	164.4	112.5	102.8	181.3	124.0	113.3	198.1	135.6	123.9	51	48	17.0
Northeastern (49)	1	Yes	184.9	124.8	114.2	178.2	111.6	97.0	178.2	111.6	97.0	178.2	111.6	97.0	51	113	46.5
Notre Dame (19)	1.54	Yes	185.7	124.4	110.0	190.7	125.4	113.1	216.4	142.3	128.4	242.2	159.3	143.6	7	34	27.1
NYU (30)	0.6	Yes	218.3	128.0	113.4	221.1	131.3	114.0	199.0	118.2	102.6	176.9	105.0	91.2	25	31	49.1
Rice (16)	1.56	Yes	196.6	122.6	113.9	203.1	129.2	116.8	231.5	147.3	133.2	260.0	165.4	149.5	7	17	22.3
RPI (53)	1.37	Yes	157.7	111.1	104.8	164.2	115.3	108.9	179.4	126.0	119.0	194.6	136.6	129.0	31	39	36.0
SMU (66)	1.56	???	170.9	111.1	107.0	173.9	114.7	113.7	198.2	130.8	129.6	222.6	146.8	145.5	31	113	36.5
Syracuse (58)	1.53	Yes	133.4	102.0	80.6	137.8	102.1	82.6	156.1	115.6	93.5	174.3	129.2	104.5	89	120	21.6
Tufts (30)	1	Yes	155.2	111.1	94.0	162.2	114.0	97.5	162.2	114.0	97.5	162.2	114.0	97.5	114	46	49.9
Tulane (41)	1.49	Yes	155.9	95.3	108.5	158.0	98.8	117.3	177.4	110.9	131.7	196.7	123.0	146.0	73	61	35.3
U of Miami (49)	1.29	Yes	166.6	113.6	99.6	171.8	118.2	101.0	184.3	126.8	108.3	196.7	135.3	115.6	7	12	38.9
Wake Forest (28)	1.62	???	152.0	103.9	85.0	158.3	106.0	85.8	182.8	122.4	99.1	207.4	138.9	112.4	33	34	30.8
Average (000)			172.1	115.0	103.2	176.1	117.0	104.8	186.6	124.2	111.5	197.2	131.4	118.1			34.4
NU-Ave. gap (000)			12.8	9.8	11.0	2.1	-5.4	-7.8	-8.4	-12.6	-14.5	-19.0	-19.8	-21.1			
Diff / NU			7%	9%	11%	1%	-5%	-7%	-5%	-10%	-13%	-10%	-15%	-18%			