

Report of the 2020-2021 Financial Affairs Committee (April 11, 2021)

Professors

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Charge 1

- 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. (Report, Senate Minutes, February 3, 2021)**

BE IT RESOLVED that the recommended full-time faculty raise pool for merit and equity for the FY 2022 be 4.0% of continuing salaries starting on July 1, 2021 (Resolution passed 31-0-2, February 3, 2021)

Charge 2

The committee shall review the costs and custodian selections for fund selections in the retirement accounts, assess these in comparison to those offered by peer institutions, and provide recommendations to improve the selections to enable better faculty retirement account growth unhampered by high expenses.

Charge 2: Resolutions

WHEREAS upon opening a Northeastern Retirement Plan (403(b)) should a staff/faculty member not select an investment option, they are placed into a (TIAA or Fidelity) Lifecycle Fund based on their current age, which is known as the Default Option, and

WHEREAS these Lifecycle Funds are also one of the most popular investment choices, and

WHEREAS the Vanguard Target Retirement Funds with similar strategies are very popular, with strong performance and have the lowest expense ratios in this family of funds

BE IT RESOLVED that the Senate recommends that the University as Plan Manager offer Vanguard Target Retirement Funds, and

BE IT FURTHER RESOLVED that the Senate recommends that the Default Option for those who do not specify a particular investment upon opening their 403(b) account be the age-appropriate Vanguard Target Retirement Fund.

Retirement Plan

- **Lifecycle (target date) Funds (Fidelity or TIAA CREF) is “default”**
- **The most popular and lowest expense fund lifecycle funds in this “category” are Vanguard Target Retirement Funds**
- **While Fidelity or TIAA is custodian, our plan can choose to offer funds from other companies (e.g. Harvard’s custodian is TIAA but Vanguard Target fund is “default”)**
- **The difference can add up to thousands of dollars**
- **Performance: Vanguard funds have outperformed Fidelity and TIAA, particularly when expenses are taken into account**

	Expense Ratio
CREF Lifecycle 2045	.47%
Fidelity Freedom 2045	.75%
Vanguard Target Retirement Fund	.09%
Industry Average	.57%

Charge 3

The Committee, in collaboration with the FT-NTT-FC, shall (a) inquire and examine the granular match-mate data for FT-NTT faculty salaries that have been obtained by the university leadership from the Colonial Group, and (b) make recommendations regarding FT-NTT faculty compensation.

The Financial Affairs Committee should continue to meet jointly with the FT-NTT-FC to make progress in obtaining FTNTT salary data by rank and to evaluate any gaps and impact on university rankings given the rising size of FTNTT to include CPS.

Further consideration of the cross-over effort by FAC & FTNNT committee should be explored.

Charge #5 The Committee shall provide an evaluation plan for the newly implemented equity process and its implementation.

WHEREAS approximately one-half of full time faculty at Northeastern do not receive the information that is required by the Faculty Handbook.

BE IT RESOLVED the NU administration should comply with the equity process as detailed in the Faculty Handbook (e.g., in the context of the equity appeal process all full time faculty should receive salary ranges by rank and by tenure/non-tenure track appointment within their colleges when cell size allows).

Charge 5 (discussion)

The Northeastern University Handbook states:

In that same year, University Decision Support will provide the deans of the colleges eligible for equity adjustments with scatter plots of faculty salaries versus years in rank, pooled by rank, along with salary data for college match-mates that were approved by the college faculty and dean. Deans shall provide an abbreviated version of this report to faculty that is redacted or edited to preserve privacy, confidentiality and anonymity but contains sufficient information for faculty to evaluate their own salary in light of the equitable factors listed above.

- **Matchmate information is not likely to be available for the foreseeable future**
- **Yet within many Northeastern colleges cell sizes are adequate for both FTTT and FTNTT faculty to generate useful comparative data broken down by rank and by TT/NTT status**

Charge 4: Review of Past Charges

- **Housing**: follow up on the 2018/9 report on Housing and Faculty
- **Transportation**: the FAC has repeatedly urged the administration to increase support public transportation. **Parking**: The administration is encouraged to work with MassParc to improve ride share parking spots across all available parking lots/garages. –
- **Health Care Plans**: FAC recommended exploring the feasibility of including a “two person” option to the health care plan.
- **Recreation Center Fee**: The administration seems open to the idea. –
- **Divestment of University endowment holdings in fossil fuel industries**: The Strategic Committee on Climate Justice appears to be addressing this issue.

The pandemic has triggered rethinking of many aspects of the University enterprise; this rethinking should extend not only to the classroom and facilities, but to the range of Human Resource management issues, transportation and parking, etc.