



Northeastern University Faculty Senate

TO: FACULTY SENATE
FROM: Secretary, Faculty Senate
SUBJECT: Minutes, November 16, 2022

Present: Professors: Avalon, Board, Caracoglia, Carr, Chiou, Cisewski, Di Credico, Folmar, Godoy-Carter, Gonyeau, Hertz, Jaeggli, Kitagawa, Krishnamoorthy, Landsmark, Lin, Marano, McSherry, Molnar, Musselman, Rappaport, Rawson, Rolland, Sivak, Smith, Spencer, Strange, Toledano Laredo, Willey, Zulick

Administrators: Madigan, Hackney, Isaacs, Reid, Wadia-Fascetti

Absent: (Professors) Moore, Nieves, Vollmer

(Administrators) Mynatt, Seshan

CALL TO ORDER: 11:45 a.m.

I. SAC REPORT:

(The SAC report has been posted the Senate website.)

- Prof. Gonyeau noted that since the last senate meeting SAC has met twice and participated in a number of other meetings. SAC has met with the Provost office once and met with the Elected senators once. SAC has also met once with the Ombuds office and with Constance Yowell, Sr. Vice Chancellor for Educational Innovations.
- SAC has sent a reminder to all Senate standing committees to present a midterm report by Dec. 5th.
- SAC continues to engage on ongoing search committee activities.
- SAC is developing a broad communication proposal and will obtain Provost, Chancellor offices and elected senator feedback.
- Incorporation of Mills College into senate is awaiting completion of collective bargaining process with unionized Mills' faculty.
- SAC is reviewing a SGA request to add questions to TRACE and will consult with Provost office and elected senators.

II. PROVOST REPORT:

- In regards to searches, Provost Madigan said that the search to replace Dean Poiger of CSSH is about to get underway. Dean Poiger will continue in a new role with a focus on Humanics and how Humanics can be infused into the curriculum more broadly.

The DMSB Dean search continues from last year. It is an extremely active search. A couple of candidates will be coming to campus in the next few weeks.

- Faculty hiring is ongoing and is in full swing across the global university. It is a huge amount of work for all involved. There may be hundreds of search committees in terms of faculty hiring of all sorts. The Provost thanked all faculty for participating and hopes for a very successful hiring season.
- One of the things going at Mills College at Northeastern, is the creation of the Mills Institute which was part of the merger agreement. The Institute will be a research institute and an activist institute, focusing on issues that are core to the identity and practice of Mills College – women’s leadership, social justice, racial justice. A lot of details are to be determined.

They have hired the inaugural Director of the Mills Institute, Nicole Guidotti-Hernandez from Emory. She will start in a couple of weeks and she will come and visit the Boston campus in a couple of weeks.

QUESTIONS AND DISCUSSION:

There were no questions regarding either report.

III. NEW BUSINESS:

A. ACADEMIC PROPOSAL: UNIVERSITY UNDERGRADUATE CURRICULUM COMMITTEE PROGRAM IN THE OFFICE OF THE PROVOST.

Prof. Gonyeau read the following:

BE IT RESOLVED That the University establish the [Bachelor of Science in Digital Transformation](#) in the Office of the Provost as approved by the University Undergraduate Curriculum Committee 19 October, 2022 (16-0-1).

Vice Provost Mike Jackson, Curriculum & Programs said this was a new program and that they were piloting this approach that was based on an adaptation of Northeastern London’s 3 year undergraduate BS and apprenticeship program. It has really been developed to adapt to the US market. The program will be delivered entirely online.

Prof. Gonyeau noted that based on requests from the Registrar’s Office, faculty will notice we are not attaching program proposals to the agenda. In lieu of that, we place the links to the Courseleaf information about these programs. Using Courseleaf, we are assured of the most up-to-date information.

QUESTIONS AND DISCUSSION:

There were no questions.

VOTE on the resolution PASSED: 27-0-1

B. ACADEMIC PROPOSAL: GRADUATE COUNCIL PROGRAM IN THE OFFICE OF THE PROVOST

Prof. Gonyeau read the following

BE IT RESOLVED That the University establish the [Master of Arts in Early Childhood Education](#) in the Office of the Provost as approved by the Graduate Council 26 October, 2022 (13-0-0).

Vice Provost Jackson said in general to all the proposals, as part of the merger process with Mills College, Northeastern wanted to recognize the legacy of teacher preparation that Mills has enjoyed for a very long time. These 4 programs are teacher credentialed programs that respect that legacy but also take it into the future with Northeastern a focus on more direct experiential learning.

These programs also have the credentialed programs embedded in them. As students go through these MA degrees, once they are most of the way through they meet the requirements in CA to apply for teacher licensure and then finish up the remaining 6-9 credits for the MA degree. There is a huge teacher shortage in CA right now and that is one of the reasons we wanted to move this forward for fall 2023.

QUESTIONS AND DISCUSSION:

Prof. Young asked a question for clarification. Since there are version of this in MA, how are we aligned or connecting given the licensure and similar programs of study?

Vice Provost Jackson said the decision to offer these programs in CA is largely site based. The program will also be offered fully on ground and in person. The idea was that the CA campus would manage CA licensure and the Boston campus would manage MA licensure programs. That was the general idea for the separation of the two.

One of these things that is coming out of this alignment is that the programs in CA will need to be approved by the CA Commission of Teacher Credentials to identify Northeastern University as a sponsor for these programs. As part of that process, there is an advisory board that is being put together that will also include representatives from the Graduate School of Education. The idea is to make sure there is communication and alignment as necessary and appropriate.

VOTE on the resolution PASSED: 32-0-0.

C. ACADEMIC PROPOSAL: GRADUATE COUNCIL PROGRAM IN THE OFFICE OF THE PROVOST

Prof. Gonyeau read the following:

BE IT RESOLVED That the University establish the [Master of Arts in Educational Leadership](#) in the Office of the Provost as approved by the Graduate Council 26 October, 2022 (13-0-0).

QUESTIONS AND DISCUSSION:

There were no questions.

VOTE on the resolution PASSED: 32-0-0.

D. ACADEMIC PROPOSAL: GRADUATE COUNCIL PROGRAM IN THE OFFICE OF THE PROVOST

Prof. Gonyeau read the following:

BE IT RESOLVED That the University establish the [Master of Arts in Multiple Subject Education](#) in the Office of the Provost as approved by the Graduate Council 26 October, 2022 (13-0-0).

QUESTIONS AND DISCUSSION:

There were no questions.

VOTE on the resolution PASSED: 32-0-0.

E. ACADEMIC PROPOSAL: GRADUATE COUNCIL PROGRAM IN THE OFFICE OF THE PROVOST

Prof. Gonyeau read the following:

BE IT RESOLVED That the University establish the [Master of Arts in Single Subject Education](#) in the Office of the Provost as approved by the Graduate Council 26 October, 2022 (13-0-0).

QUESTIONS AND DISCUSSION:

There were no questions.

VOTE on the resolution PASSED: 32-0-0.

IV. PRESENTATION: BY TOM NEDELL, SR. VICE PRESIDENT, FINANCE AND TREASURER

The Current Financial State of the University

Sr. Vice President Nedell noted the financial position at the University continues to strengthen through growth and diversification anchored in academic excellence. Below are some highlights from the presentation.

Our financial strength continues to improve and it is based on faculty that are out teaching and researching and the impact that has on our ability to make decisions on where we serve our students and alumni. It is a fully connected ecosystem. Leadership and quality are at the center of that.

For a sense of scale, the University's total assets are \$5.5 billion as of the financial statement of June 30, 2022. Those statements will soon be up on the website of the office of the CFO. Those are public documents.

Total revenue for past year \$1.8 billion. Running a university is like managing a small city.

They focus on financial health as one of the elements in building a great university.

It is a resilient model. Growth and diversification builds resiliency in times such as Covid when the University experienced challenges.

A key differentiator is that they fund the depreciation fully which is a position most institutions are not in.

Whenever they put together a 5 year plan that supports the academic plan, they are looking at how much can be self-funded through the operations of the institution. They also use debt to fund those ambitions.

Our revenue growth rate is significantly above the average growth rate of the sector. Average growth is 7.8% for NU while average growth of private universities is 4.5%

Revenue Diversification: Tuition

2006 Net \$339M

2011 Net \$547M

2022 Net \$1,289M

Graduate/Professional Revenue Growth (\$M)

Average growth rate of 11% since 2011

\$531M 2022

Research Award Growth

Average Growth of 10% since 2006

\$232M 2022

Balance Sheet Metrics

\$3471M total net assets in 2022

\$1063M total long term debt in 2022

Up \$250M since the start of the new fiscal year 2022/2023

Endowment: July 2022 = \$1.6 Billion

10% average growth since 2010

FY22 Endowment Spend \$38.8M

We are at lower end of comparative scale for R1 universities across the board, we came late to the game.

Prof. Teledano asked how do we relate that \$5.5 billion asset figure at the beginning of the presentation to the the \$3.5 total net assets.

Vice President Nedell said that assets, our physical plant and investments that makes up 80-90% of our total asset base. On other side of equation – the equity – the amount we have fully paid off on our buildings, the cash in the bank, the value of the equity is what the \$3.5 billion represents. The difference is the net assets plus the debt plus any remaining other liabilities.

Liquidity

\$550M in 2022

Average growth of 13%, \$76M in 2006

substantially improved liquidity provides resiliency

Balance Sheet Metrics: Net Debt

\$3471M total net assets in 2022

\$513M total net debt in 2022

EXP

On time and on budget

\$400M

August 2023 Move In

QUESTIONS AND DISCUSSION:

Prof. Ganesh said his question relates back to endowment/the asset allocation, are you able to share what the asset allocation is in our endowment -- equity vs. fixed income vs. alternative investments? And second part of question, how are you feeling in respect to the overall rate of return relative to our peer institutions.

Vice President Nedell said there is a high level breakout of the institution's asset allocation listed in our financial statements. Again, they will be up on the CFO website in the next couple of days.

We don't disclose beyond the Board level individual holdings of the endowment.

From rate of return perspective, Board looks at this routinely at 1-3-5 year horizon. The University compares quite favorably to both a peer set of schools and a broader universe.

2022 was a down year. Down -6.8% for endowment return. But we fared favorably compared to those other groups.

Prof. Chiou asked about higher tuition prices/rates. Is it because of our standing? Also, could you give us an update on capital expenditures every year. And speak to international tuition prices, geopolitical factors and inflation.

Vice President Nedell said first, price vs. volume side of enrollment growth. We have increased the price side of tuition revenue from 3.5-4.9% over the past 10 or so years. The volume is driving that average growth rate.

In regards to international tuition prices, we are conscious of that. We are conscious of broadening the market for domestic students. Being realistic about diversifying where students come from so we are not caught in a geopolitical squeeze.

In regards to capital expenditure, this varies quite a bit. On an annual basis, he would estimate \$125 million a year in capital investment.

In regards to inflation, from a debt perspective, we are fortunate that interest rates are not impacting us on our debt portfolio. Most of it is fixed rate debt.

Prof. Rappaport said simply it doesn't look like the University took much of a hit in buying Mills. Shouldn't that show up in liquidity?

Vice President Nedell said Mills was effective June 30th. The transaction of that merger takes the value of the Mills balance sheet marked up to current market value and ports it onto our asset sheet.

From liquidity perspective, there was not a hit that we took; it was financially positive to us it is a platform for us going forward to try new things.

Prof. Toledano said that last year the senate passed a resolution about the university divesting from fossil fuels in about two years. Can you report on any progress on that front?

Vice President Nedell said the university has not adopted a divestment strategy. The percentage of total endowment that is related to fossil fuels is less than 2%.

Several years ago the university took on a position of looking to invest in climate change solutions. Invested \$25 million of the endowment that would be part of the solution to have further impact.

Where we can have impact is how we do our research, teach our students, run our campus.

Prof. Caracoglia in terms of marginal costs on the enterprise what is the current status on economy of scale are we in a situation where we could see a reduction in the cost and a reduction in tuition fees or are we at a point of saturation?

Vice President Nedell said our scale certainly impacts our ability to spread our costs over a larger base and therefore be more efficient than a smaller institution. Regarding undergraduate students, we are about at saturation there. Couldn't take on any more without expansion of campus.

On graduate level, marginal costs are less and the hybrid model may help.

Prof. Caracoglia also asked in regards to cost of living increase – how to help faculty and staff?

Vice President Nedell said our talent is our secret ingredient. We need to attract and retain them.

We can't just increase pay, but need to look into other ways to help.

The meeting adjourned at 1:06 p.m.

Respectfully submitted by

Prof. Rhonda Board

Senate Secretary