

**Presentation of the 2017-18
Financial Affairs Committee (FAC)
to the Faculty Senate on February 28, 2018**

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Members of 2017-18 Financial Affairs Committee

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Charge #1 from the Senate Agenda Committee to the 2017-18 Financial Affairs Committee

The FAC shall follow up on the implementation of the 2016-2017 Senate resolution on procedures for establishing match-mates for each college/unit.

Resolution Passed on February 1, 2017, 32-0-2: BE IT RESOLVED That clearly defined procedures for establishing the match-mates for each college/unit should be approved by the faculty of each college/unit subject to the approval by the dean of the college. These choices of match-mates should be revisited at least every five years.

- College/unit specific match-mates help to gauge the current market rate for faculty salaries in different fields and at different levels.
- Deans were reminded of this resolution by the Provost at a November 2017 meeting of the ADC and again in January 2018.
- We were very recently informed that a written document was given to the deans on Nov. 1, 2017 which included specific details as follows:

1. University Decision Support (UDS) will send list of CUPA-participating schools to the Dean by March 1;
2. Each dean will share this list with their college faculty and will solicit suggestions* from the faculty for which names to include in matchmate list by March 8; [*Resolution requires faculty approval]
3. Based on the list provided by UDS, Deans will send a ranked list of 20 universities that represent matchmates for their college to UDS and the SVPAA by March 20;
4. After review, a near-final list of matchmate schools will be provided to the Dean by UDS/SVPAA prior to April 1; if changes in schools are needed due to overlap with other lists and CUPA rules, UDS will make appropriate changes to abide by CUPA rules.

CUPA has restrictions on forming peer groups:

- A comparison group must include a minimum of eight institutions that participated in the survey for that year.
- Each comparison group created must differ by at least three institutions from all other existing *and deleted* comparison groups. This protects the confidentiality of submitted data.
- Per Department of Justice Safe Harbor Guidelines, statistics will not display for positions with fewer than five responding institutions.

Note: Colleges or departments may opt out of this matchmate process if they have relevant salary comparison data from other sources such as professional organizations. College deans will let the SVPAA know if they are opting out of this matchmate process.

Charge #2 from the Senate Agenda Committee to the 2017-18 Financial Affairs Committee

The FAC shall follow up on the 2016-2017 Senate resolution on analysis of University endowment exposure to fossil fuel industries and options for divesting said funds, with findings to be shared with the University community no later than December 2017.

- SVP for Finance & Treasurer Tom Nedell made a general presentation on the budget to the senate on 11/15/2017.
 - He stated that about 10% of the endowment is invested in the energy sector and that \$25 M is being invested in sustainability over 5 years.
 - A small (unspecified) percentage of the endowment is invested in fossil fuels.
 - He opined that the choice would not be to divest but to target some areas for impact by investing in certain sustainability areas.
 - SAC is pursuing discussions with the SLT and FAC will also follow up.

- The results of the first two resolutions point to a generic problem – i.e. a resolution can be passed by the senate and approved by the Provost without a mechanism in place to ensure follow-through.
- In recent years SAC and the Provost have formalized the process of Provost approval.
- Steps are being discussed by SAC for formalizing the implementation phase.

Charge #3 from the Senate Agenda Committee to the 2017-18 Financial Affairs Committee

The FAC shall examine the total faculty compensation, given the yearly increases in the cost of benefits (especially health insurance), in comparison to salary raises.

- Total compensation includes salary and fringe benefits (i.e. university contributions to health insurance, retirement, life insurance, T-passes, social security, etc.)
- A set of 16 university-wide match-mate institutions selected by the NU administration several years ago as peer and aspirant institutions are still being used.
- Data on total compensation for these match-mates were obtained from public information supplied by AAUP.

Match-mate Institutions (Excluding NYU for which no 2016-17 data was available)

| University | USNWR Ranking (2017) | Carnegie Classification | |
|----------------------------------|----------------------------|----------------------------------|-------------|
| Boston College | 32 | Highest Research Activity | 5 |
| Boston University | 37 | Highest Research Activity | 5 |
| Brandeis | 34 | Highest Research Activity | 5 |
| Carnegie-Mellon University | 25 | Highest Research Activity | 5 |
| George Washington University | 56 | Highest Research Activity | 5 |
| Lehigh University | 46 | Higher Research Activity | 4 |
| Northeastern University | 40 | Highest Research Activity | 5 |
| Notre Dame University | 18 | Highest Research Activity | 5 |
| Rensselaer Polytechnic Institute | 42 | Higher Research Activity | 4 |
| Rice University | 14 | Highest Research Activity | 5 |
| Southern Methodist University | 61 | Higher Research Activity | 4 |
| Syracuse University | 61 | Highest Research Activity | 5 |
| Tufts | 29 | Highest Research Activity | 5 |
| Tulane University | 40 | Highest Research Activity | 5 |
| University of Miami | 46 | Highest Research Activity | 5 |
| Wake Forest University | 27 | Higher Research Activity | 4 |
| Average Ranking | 38.0 | | 4.75 |

Raw Data on Total Faculty Compensation for 2016-17 from AAUP

| University | Full Comp. | University | Associate Comp. | University | Assistant Comp. |
|-------------------|--------------|-------------------|-----------------|-------------------|-----------------|
| Rice | 236.9 | Boston U | 157.3 | NU | 136.3 |
| Boston U | 227.5 | Notre Dame | 156.4 | Notre Dame | 135.5 |
| Boston C | 225.6 | NU | 154.5 | Boston C | 133.6 |
| Notre Dame | 224.3 | Boston C | 151.8 | Rice | 132.6 |
| NU | 216.4 | Rice | 149.1 | Boston U | 130.4 |
| G. Washington | 212.4 | SMU | 144.5 | RPI | 128.6 |
| U of Miami | 204.8 | Tufts | 143.7 | SMU | 126.9 |
| Tufts | 203.8 | G. Washington | 142.5 | Carnegie Mellon | 124.9 |
| SMU | 201.9 | RPI | 138.2 | Lehigh | 124.1 |
| Lehigh | 200.4 | U of Miami | 137.5 | Tufts | 120.7 |
| RPI | 195.7 | Carnegie Mellon | 135.9 | U of Miami | 120.1 |
| Carnegie Mellon | 194.4 | Syracuse | 135.9 | G. Washington | 114.5 |
| Wake Forest | 186.7 | Brandeis | 135.5 | Syracuse | 113.0 |
| Brandeis | 186.5 | Lehigh | 135.2 | Tulane | 112.0 |
| Tulane | 183.6 | Wake Forest | 127.5 | Brandeis | 109.1 |
| Syracuse | 179.4 | Tulane | 113.7 | Wake Forest | 97.2 |
| Average | 205.0 | Average | 141.2 | Average | 122.5 |
| NU-Average | 11.4 | NU-Average | 13.3 | NU-Average | 13.8 |
| Diff / NU | 5.3% | Diff / NU | 8.6% | Diff / NU | 10.1% |

Cost-of-Living in Different Geographic Areas

| City | Cost-of-Living | Universities |
|-------------------------------------|----------------|----------------------------------|
| Albany | 0.736 | Rensselaer Polytechnic Institute |
| Boston | 1.000 | NU, BC, BU, Tufts, Brandeis |
| Dallas | 0.679 | Southern Methodist University |
| Houston | 0.664 | Rice University |
| Miami | 0.755 | University of Miami |
| New Orleans | 0.661 | Tulane University |
| Manhattan (1.544), Brooklyn (1.184) | 1.364 | New York University |
| Pittsburgh | 0.644 | Carnegie-Mellon University |
| Rochester (in place of Syracuse) | 0.679 | Syracuse University |
| Scranton, PA (in place of Lehigh) | 0.680 | Lehigh University |
| South Bend, IN | 0.623 | Notre Dame University |
| Washington, DC | 1.014 | George Washington University |
| Winston-Salem, NC | 0.617 | Wake Forest |

Real Compensation with 100% Cost-of-Living Adjustment

| | Full | | Associate | | Assistant |
|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| University | Real | University | Real | University | Real |
| Notre Dame | 360.1 | Notre Dame | 251.1 | Notre Dame | 217.6 |
| Rice | 356.8 | Rice | 224.6 | Rice | 199.7 |
| Wake Forest | 302.7 | SMU | 212.9 | Carnegie Mellon | 193.8 |
| Carnegie Mellon | 301.7 | Carnegie Mellon | 210.9 | SMU | 186.9 |
| SMU | 297.4 | Wake Forest | 206.7 | Lehigh | 182.5 |
| Lehigh | 294.6 | Syracuse | 200.2 | RPI | 174.7 |
| Tulane | 277.9 | Lehigh | 198.8 | Tulane | 169.5 |
| U of Miami | 271.2 | RPI | 187.7 | Syracuse | 166.5 |
| RPI | 265.8 | U of Miami | 182.1 | U of Miami | 159.1 |
| Syracuse | 264.3 | Tulane | 172.1 | Wake Forest | 157.6 |
| Boston U | 227.5 | Boston U | 157.3 | NU | 136.3 |
| Boston C | 225.6 | NU | 154.5 | Boston C | 133.6 |
| NU | 216.4 | Boston C | 151.8 | Boston U | 130.4 |
| G. Washington | 209.6 | Tufts | 143.7 | Tufts | 120.7 |
| Tufts | 203.8 | G. Washington | 140.6 | G. Washington | 113.0 |
| Brandeis | 186.5 | Brandeis | 135.5 | Brandeis | 109.1 |
| Average | 266.4 | Average | 183.2 | Average | 159.4 |
| NU-Average | -50.0 | NU-Average | -28.7 | NU-Average | -23.1 |
| Diff / NU | -18.8% | Diff / NU | -15.6% | Diff / NU | -14.5% |

Real Compensation with 50% Cost-of-Living Adjustment

| University | Full Real | University | Associate Real | University | Assistant Real |
|-------------------|--------------|-------------------|----------------|-------------------|----------------|
| Rice | 284.7 | Notre Dame | 192.8 | Notre Dame | 167.0 |
| Notre Dame | 276.4 | Rice | 179.2 | Rice | 159.4 |
| SMU | 240.5 | SMU | 172.1 | Carnegie Mellon | 151.9 |
| Lehigh | 238.5 | Carnegie Mellon | 165.3 | SMU | 151.2 |
| Carnegie Mellon | 236.4 | Syracuse | 161.9 | RPI | 148.1 |
| U of Miami | 233.4 | Lehigh | 160.9 | Lehigh | 147.7 |
| Wake Forest | 231.0 | RPI | 159.2 | U of Miami | 136.9 |
| Boston U | 227.5 | Wake Forest | 157.7 | NU | 136.3 |
| Boston C | 225.6 | Boston U | 157.3 | Tulane | 134.9 |
| RPI | 225.4 | U of Miami | 156.7 | Syracuse | 134.6 |
| Tulane | 221.1 | NU | 154.5 | Boston C | 133.6 |
| NU | 216.4 | Boston C | 151.8 | Boston U | 130.4 |
| Syracuse | 213.7 | Tufts | 143.7 | Tufts | 120.7 |
| G. Washington | 211.0 | G. Washington | 141.5 | Wake Forest | 120.2 |
| Tufts | 203.8 | Tulane | 136.9 | G. Washington | 113.7 |
| Brandeis | 186.5 | Brandeis | 135.5 | Brandeis | 109.1 |
| Average | 229.5 | Average | 157.9 | Average | 137.2 |
| NU-Average | -13.1 | NU-Average | -3.4 | NU-Average | -0.9 |
| Diff / NU | -6.1% | Diff / NU | -2.2% | Diff / NU | -0.7% |

What is the most appropriate adjustment to use?

US News & World Report Study on Compensation (Raw Data)

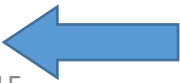
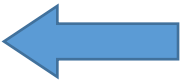
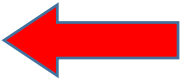
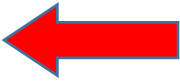
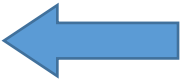
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Northeastern University | \$143.3K | \$152.5K | \$156.3K | \$161.4K | \$167.1K | \$170.9K | \$176.3K |
| Boston College | \$144.3K | \$148.8K | \$154.0K | \$157.1K | \$161.1K | \$165.4K | \$175.1K |
| Boston University | \$148.5K | \$156.9K | \$162.9K | \$171.3K | \$173.9K | \$179.2K | \$181.4K |
| Brandeis University | \$131.5K | \$138.9K | \$138.3K | \$139.5K | \$143.3K | \$150.9K | \$154.2K |
| Carnegie Mellon University | \$149.6K | \$151.5K | \$154.9K | \$158.5K | \$165.5K | \$155.1K | \$161.5K |
| George Washington University | \$137.0K | \$142.4K | \$145.9K | \$147.9K | \$151.9K | \$157.2K | \$161.5K |
| Lehigh University | \$139.9K | \$143.5K | \$147.6K | \$149.6K | \$154.5K | \$157.8K | \$160.2K |
| New York University | \$183.9K | \$190.0K | \$196.1K | \$205.2K | \$208.4K | \$216.3K | |
| Rensselaer Polytechnic Institute | \$130.2K | \$145.8K | \$149.1K | \$154.6K | \$154.4K | \$159.1K | \$168.4K |
| Rice University | \$159.6K | \$165.5K | \$171.2K | \$179.4K | \$185.6K | \$194.8K | \$198.7K |
| Southern Methodist University | \$133.2K | \$137.0K | \$141.7K | \$150.3K | \$156.4K | \$162.6K | \$167.9K |
| Syracuse University | \$122.3K | \$127.6K | \$132.3K | | \$138.2K | \$140.8K | \$145.6K |
| Tufts University | \$138.2K | \$140.5K | \$145.7K | \$150.3K | \$152.5K | \$156.6K | \$160.4K |
| Tulane University | \$118.2K | \$123.1K | \$124.6K | \$133.8K | | \$134.5K | \$139.3K |
| University of Miami | \$139.0K | \$142.1K | \$145.1K | \$149.9K | \$154.5K | \$161.5K | \$164.4K |
| University of Notre Dame | \$156.4K | \$160.2K | \$160.1K | \$167.6K | \$173.1K | \$180.6K | \$184.5K |
| Wake Forest University | \$134.5K | \$137.3K | \$138.2K | \$139.5K | \$140.9K | \$147.0K | \$148.9K |

Compensation includes salary and benefits for tenure track faculty and is a weighted average of Professor, Associate, and Assistant ranks. Amounts are in unadjusted dollars.

US News applies a cost of living adjustment and averages the last two years, e.g., the 2018 edition ranking averages compensation from 2016 and 2017.

USNWR Study on Adjusted Compensation – Rankings

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



Findings:

- NU compensation (\$176,300) is considerably higher than Tulane University (\$139,300) or Wake Forest University (\$148,900), but all are ranked #65 in adjusted compensation by USNWR.
- Boston University (\$181,400) and Lehigh (\$160,200) also have very different total compensation averages, but both of these universities were ranked #48 in adjusted compensation.
- We were able to use this information along with the cost-of-living data to back-calculate an estimate of the adjustment used. It was 48% – very close to the 50% adjustment that we used in a previous table.
- Northeastern is ranked **#40 academically** but is ranked **#65 in total faculty compensation** by USNWR.

Comparison Between NU and BU

- BU is very similar to NU in size, composition, and ranking.
- Their benefits structure is complicated.
- We are not advocating for their complicated structure.
- The end result is that total compensation at **BU is \$5100 higher than at NU.**

Relevant Issues

- Compensation is an important issue in job satisfaction – but certainly not the only one.
- Higher Education Research Institute (HERI) study identified many serious issues.
- Compensation was the area of most widespread and serious dissatisfaction.
- NU has been on an upward trajectory for 20+ years.
- Salaries of both faculty and administrators should benefit from this upward trajectory.
- The “worst thing” is not that good faculty leave – but rather that after years of discouragement they are no longer “good citizens”.
- Another consideration is that USNWR attributes 7% of its ranking to faculty compensation. Faculty compensation is also included as a factor in student resources.

Charge #4 from the Senate Agenda Committee to the 2017-18 Financial Affairs Committee

Based upon the findings in charge 3 and a review of the 2016/17 FAC findings on match-mate institutions, FAC is requested to make recommendations for merit raises for full time faculty at the University.

Resolution #2: BE IT RESOLVED THAT the recommended raise pool for merit and equity (with promotion excluded) for FY 2019 be 4.0% of continuing salaries starting on July 1, 2018.

Resolution #3: BE IT RESOLVED THAT there be an increase of 1% (as a percentage of salaries) in fringe benefits starting on July 1, 2018 to bring us closer to alignment with our ~~nearest competitor.~~ national ranking.
[via friendly amendment]

