

Committee on Financial and Administrative Policy (FAP): Minutes

Meeting #2: September 7, 2022
SL226 and Zoom 960 6087 3656
9:30 – 10:30 am

Members: David Spanagel (HUA, Chair), Hal Walker (CEAE), Rob Dempski (CBC),
Tanja Dominko (BBT, COG Appointee), Kris Sullivan, (Associate VP for Academic Affairs),
Mike Horan (Executive VP and CFO)
Absent: Joe Sarkis (BUS)

1. Meeting was called to order at 9:41 am.
2. Agenda was approved as distributed.
3. Minutes of the meeting #1 on August 31st were approved after minor changes.
4. Financial update
CFO Mike Horan presented preliminary enrollment, retention, and housing availability data for the Fall 2022. Final data will be available by the end of October 2022. The incoming freshmen class currently holds at 1,350 +/-10 and is within the range that was approved by the Board and used to develop the 2022/2023 operating budget. Currently, WPI has 125 empty beds (90 empty beds budgeted) in its residential accommodations for returning (non-first year) undergraduate students and also has some vacant spaces in graduate housing. A contributing factor to lower occupancy may be the relatively remote location of new residential housing in South Village. He discussed several strategies that are under consideration to offset this loss of revenue by developing discount housing options and overbooking approach to accepting housing applications. He shared that several area colleges are facing similar challenges, contrary to media reports of college housing shortage in Worcester.
The most impactful change has been observed in our retention rate from freshmen to sophomore year that this year tracks around 91%, down from usual 97% retention. He highlighted the possibility that lower retention may be a consequence of COVID and mental health/wellness related issues. The causes of this drop are being analyzed. Committee asked whether part of the decline in retention could be attributed to the recent test-optional policy and asked CFO Horan to provide data analyses when they become available.
5. FAP's role in communications to the community on financial matters
The committee discussed the need that significant financial updates be shared with FAP in a timely manner. The committee was not aware of the 15 Regent Street real estate transaction this past spring. All committee members agreed that transparency, timeliness, and universal respect for FAP's role in conducting inquiries and communicating the results of such discussions are all critical for bridging the gap between faculty and administration. Approval of all real estate transactions is in the purview of the Board of Trustees.
6. Salary letters
In June 2022, VP of Talent and Inclusion Lauren Turner shared institutional guidelines for salary increases that will be effective on October 1, 2022 and reflected in October 31,

2022 paychecks. Those earning less than \$75,000 will receive a 3% increase, those earning between \$75,000-\$150,000 will receive 2.5% and those earning above \$150,000 will receive a 2% raise. VP Turner also indicated that a new performance evaluation process will follow. This is the second year that the schedules for evaluation and implementation of raises have been moved from spring in pre-COVID years to fall, primarily to allow for a better forecasting of revenues before salary raises are approved. AVP Sullivan confirmed that those salary increase guidelines have not changed and will look into whether individual letters will be available in Workday and, if available, the timing of such letters. He acknowledged that individuals may prefer to receive a hard copy and, in those instances, he is confident that requests may be accommodated.

7. Follow-up on Retirement Contributions Faculty Resolution from May 2022

CFO Horan reported that the Budget and Finance committee of the Board of Trustees received the Faculty resolution and discussed it in its executive session in May 2022. No action was taken by the Board at that time. The Board will review the Faculty resolution alongside other Administration recommendations for faculty and staff benefits changes at its meeting on October 27th, 2022. CFO Horan will communicate any decisions that are made by the Board to FAP.

8. Executive Compensation Presentation to the faculty

Chair Spanagel reviewed the state of the compensation analysis that was developed by FAP during the previous academic year. The committee will continue its discussion at the next FAP meeting.

9. The meeting was adjourned at 10:32 am.

Respectfully,

Tanja Dominko
FAP Secretary