

Minutes of FAP Meeting #25 AY2021-22

April 4, 2022

4:00 PM – 5:00 PM

Meeting Held Electronically via ZOOM

Members in Attendance: Joseph Fehribach (FAP Chair), Joseph Sarkis (FBC Co-Chair), David Spanagel (FAP Secretary; RPC Representative), Tanja Dominko, Kris Sullivan (Associate Vice President for Academic Affairs)

Call to Order. Chair Fehribach called the 25th FAP meeting of the year to order at 4:05 PM.

- 1. Approval of Minutes.** FAP's Meeting #24 minutes were approved as amended.
- 2. FBC Motion on WPI Employee Retirement Benefits.** Fringe Benefits Committee Co-Chair Sarkis introduced the draft motion that FBC's members had prepared and unanimously approved to be brought to FAP for consideration. He related how the committee has been working on this matter since last fall as a top priority. He also reminded FAP that FBC is a faculty governance committee on which WPI staff members are directly represented. Although new efforts to obtain institutional research and benchmarking data never really materialized, the committee proceeded to explore reconsideration of the decision made one year ago to fix WPI's employer contribution toward all employees' retirement plans at 9.5% for the foreseeable future, based on the 2019-20 WPI Forward initiative recommendations and benchmarks. In drafting this motion, FBC reflected upon past experiences but focused on present circumstances and future-oriented concerns about how to best address WPI's institutional needs and prospects going forward, including among their considerations:
 - the exceptional prominence of "dissatisfaction with retirement benefits" in the 2021 COACHE survey analysis recently reported to the Administration and Faculty
 - the significant role that the previously longstanding policy of 11% employer retirement contributions had played in assisting recruitment and retention of top talent in all areas of employment at WPI
 - mixed messaging surrounding how well WPI emerged financially from its FY 2021 year of Covid budget austerity measures
 - speculation that investigation of alternative ways of achieving student affordability gains may not have been fully exhausted in the desire to find a single large source of savings among the WPI Forward initiatives
 - recognition that student affordability remains a strategic planning goal going forward (a point which raises concern that additional cuts to the retirement

contribution may be contemplated which assume 9.5% as the “acceptable” baseline for discussion)

- growing awareness of WPI’s vulnerability to attrition and declining morale in areas now highlighted as “community well-being” (noting that healthy retirement planning constitutes a major contributor to every employee’s long-term sense of well-being)
- the disproportionate impact of reduced retirement contributions upon the financial health of our lower paid and older community members (the people upon whom WPI’s long-term future health and vitality depends most highly)
- the important realization that an earlier administration had made a conscious and deliberately bold move to express the importance of equity among all WPI employees when it invested substantial funds to bring all employees up the 11% employer retirement contribution policy which had previously only been the matching amount given to the most highly compensated individuals

FBC Co-Chair Sarkis presented the draft motion for discussion. FAP members reviewed the chronology of decision-making around retirement benefit contributions that reflected either WPI Forward initiative goals or temporary Covid-related budgetary exigencies (or perhaps some combination of the two).

The question arose about whether it is legal for a contract signed with employees (which contain a certain level of a benefit) to subsequently be altered. AVP Sullivan noted that initial offer letters to new hires now routinely contain a sentence like: “WPI reserves the right to change its benefits package at its sole discretion.”

One FAP member mentioned that certain higher education institutions (such as Boston University) have not only restored retirement contribution rates to pre-Covid levels after weathering the pandemic, but have even rewarded their steadfast employees with retroactive payments to partially compensate them for reduced contributions made during 2020 and 2021.

- 3. High-Earners Compensation at WPI.** FAP members continue to examine the Federal 990 forms and other institutional comparative data. Multiple years’ worth of data are helpful for seeing the cumulative impact of sustained patterns and trends.
- 4. Other Topics.** AVP Sullivan called FAP’s attention to the recent announcement from Director of Student Aid & Financial Literacy Jessica Sabourin regarding changes to WPI’s institutional aid policy that were made in concert with the faculty’s recent approval of CAP-recommended changes to the Academic Standing Policy. He noted that this institutional aid policy change does have minimal financial implications for the overall budget, but was pleased to note how quickly the administration acted to implement

changes that would support the faculty's academic policy response to recommendations of the Mental Health & Well Being Task Force.

5. Adjournment. The meeting was adjourned at 5:03 PM.

Respectfully submitted,

David Spanagel

FAP Secretary