

Annual Report
Committee on Financial and Administrative Policy
Academic Year 2017-18
Submitted 2 May 2018

The Committee on Financial and Administrative Policy (FAP) met 25 times during the 2017-18 academic year. The issues addressed by FAP are grouped by category and described below.

Elections and Appointments: In the Spring of 2017, Prof. Nancy Burnham was elected to FAP by the Faculty to serve a three-year term. At the beginning of AY 2017-18, FAP elected Prof. Tanja Dominko as Chair, Prof. Nancy Burnham as Secretary, Prof. Tahar El-Korchi as Fringe Benefits Committee (FBC) representative, and Prof. Fabienne Miller (COG appointee) as Retirement Plan Committee representative. Vice President and CFO Jeffrey Solomon serves *ex officio*, and Associate Vice President Kristopher Sullivan is the Presidential Appointee. FAP appointed Profs. Bethel Eddy (HUA) and Sharon Wulf (FSB) to the FBC.

Governance and Policy: FAP drafted a motion to re-establish the Research Development Council (RDC), which has been dormant since 2009. The RDC will act to support the Vice Provost for Research (VPR) in strategic planning, proposal review, research coordination, and budgeting. The VPR and eight appointed faculty members constitute the membership of the RDC; the faculty serve staggered three-year terms and may be reappointed with a minimum one-year gap between appointments. The staff of the Research Solution Institute will provide administrative support to the RDC. The motion was brought to the 18 January 2018 Faculty meeting and was approved.

Strategic Matters: COG and the Provost's Office are developing a strategy for faculty growth. Before that plan can be fully developed, a university-wide discussion is underway regarding best ways to evaluate faculty performance to assure the best use of current resources. FAP recommends that the criteria for evaluation of faculty performance in teaching, scholarship, and service should be developed by programs, disciplines, and departments. Expectations should be aligned with a unit's and the university's strategic goals.

Endowment: In response to an inquiry about WPI's investments in fossil fuels, CFO Solomon reported that WPI's investment in the energy sector is under 5% of WPI's portfolio. No direct investments are owned. The Board of Trustees continues to affirm that investing in all asset classes is necessary to diversify WPI's investments. Furthermore, the percentage invested by WPI in fossil fuels is similar to general benchmark averages. CFO Solomon further stressed that WPI's investment decisions are based on sound investment practices and made to maximize returns while minimizing risks.

Budget: For the Annual Planning and Budget Process, five academic priorities were identified:

- Continue growing T/TT faculty
- Focus on faculty development
- Focus on faculty retention
- Continue to enhance excellence in research and graduate programs
- Assure successful launch of Foisie Innovation Studio

Ratio of Administrative to Instructional Spending: The relationship between administrative and instructional spending is central to institutional efficiency and reflective of institutional priorities. FAP completed an analysis of WPI's institutional administrative vs. instructional spending following The Guide to Controlling Administrative Costs through Effective Oversight that was issued in July 2017 by the American Council of Trustees and Alumni's (ACTA) Institute for Effective Governance.¹ WPI's ratio between administrative and instructional spending is the second highest in its peer group. According to ACTA guidelines, if WPI's ratio is to be brought to the median of its peers, 3.8 M\$ would be reallocated from administrative to instructional costs. The report was provided in advance of the winter Trustee meeting for consideration by the Budget and Finance Committee. A short summary presentation was made at the 13 February 2018 faculty meeting.

Graduate Tuition: FAP and CGSR provided a joint concept paper to the Dean of Graduate Studies and the Vice Provost of Research for their consideration in how to more effectively manage graduate tuition on research proposals. CGSR has stated that our current high graduate tuition lowers the effectiveness of research awards.

Faculty Salary Studies: FAP presented the results of the Faculty Salary Study at the 13 October 2017 Faculty meeting. The report compares WPI salaries to peer groups in 2013 and 2017. In 2013, WPI salaries were at 108% of the market median (approximately the 75th percentile), whereas in 2017, WPI salaries were at 101% of the market median (approximately the 50th percentile). During this time, WPI salaries went up by 10%, and those at peer institutions gained 17%. Between 2013 and 2017, 45 faculty left whose salaries were 113% of the market median, and 45 new faculty were hired at 107% of the market median. FAP was asked if there were any gender equity concerns in WPI's salaries.

Sibson Consulting was asked to do a study on gender equity for T/TT faculty, and a summary was given at the 13 February 2018 faculty meeting. Male faculty at WPI are paid at 102% (103% for assistant and associate professors, 102% for full professors) of the market median by rank, gender, and discipline. In contrast, female faculty are paid at 98% of their market median (99%, 100%, and 95% respectively for assistant, associate, and full). To bring women up to the same level as men would cost approximately \$350,000 annually.

Furthermore, with respect to other equity issues, FAP received a number of comments that teaching and research support for women might be lower than that for men. AVP Sullivan met with Michelle Jones-Johnson, VPTD-CDO, who recommended that CGSR discuss the issue and perhaps gather relevant data.

Fringe Benefit Matters: FBC discussed a number of topics ranging from tuition benefits for employees and dependents to HR salary study, enrichment programs and financial seminars for the community. The following recommendations were made:

¹ <https://www.goacta.org/publications/controlling-administrative-costs>

- For full-time employees (who have completed 1450 hrs in a year): FBC recommends that the wait time for tuition benefits for a Bachelors or Masters Degree to be one year for both on and off campus. FBC recommends that off-campus tuition reimbursement be covered at 100% and up to \$2000.
- For spouses or domestic partners of full-time employees (who have completed 1450 hrs in a year): FBC recommends changing the wait time for tuition for a Bachelors or Masters Degree to one year for on campus only.
- For dependents of full time employees: no change.
- Increased flexibility in tuitions benefit for the BS: The FBC committee recommends that our current tuition benefits policy should become more flexible to consider all students (regardless of i.e. accommodations, or financial, or etc...) to complete the 16-term tuition benefit in a fulltime or part-time schedule (within some reasonable limit).

FAP recommends that these FBC recommendations be evaluated by the administration and report back to FAP.

Retirement Plan Matters: The Retirement Plan Committee met regularly during the year to review the quarterly performance of each of the funds within the retirement plan. Plan fees were reviewed and benchmarked. No concerns were raised.

Operational Matters: In April FAP began discussing agenda items for AY 18-19.

Respectfully submitted,

T. Dominko, Chair;
N. Burnham, Secretary;
T. El-Korchi, Elected Member;
F. Miller, COG Appointee;
J. Solomon, VP-CFO, *ex officio*;
K. Sullivan, AVP, Presidential Appointee.