

**Financial and Administrative Policy
Minutes**

16th Meeting, AY 2022-23

Monday, January 30, 2023, 9:00 am

Meeting held remotely; Zoom meeting ID: 960 6087 3656

Members: David Spanagel (HUA, Chair), Hal Walker (CEAE), Rob Dempski (CBC), Joe Sarkis (BUS), Kris Sullivan (Associate VP of Academic Affairs, until 9:15), Mike Horan (Executive VP and CFO, *Ex Officio*)

1. The meeting was called to order at 9:02am
2. Agenda was approved as amended
3. The Minutes of the 15th meeting were approved as amended
4. Opportunities for timely faculty input on building renovation plans

Mike Horan and Kris Sullivan reviewed the process for obtaining faculty input during building renovation projects, with an emphasis on the current renovation of Stratton Hall. Kris Sullivan noted that faculty input is solicited at different stages of the renovation process. The renovation of Stratton is currently in the design phase. Mike Horan indicated that faculty input has been obtained for the renovation of Stratton and more will be solicited in the future. The size of offices and availability of chalkboards, for example, have been noted as issues in the renovation of Stratton. Mike Horan indicated that they are currently looking into these and other issues. Hal Walker added that faculty were able to provide input at multiple phases during the renovation of Kaven Hall but emphasized that these projects have relatively fixed budgets and other constraints making it sometimes difficult to address all issues and concerns.

5. Staff Compensation Project update

David Spanagel updated the committee on the staff compensation project. He explained that the Staff Compensation Study Advisory Committee met on January 11, 2023 with the Segal consulting firm hired to carry out the project, and the advisory group was asked to help articulate a compensation philosophy statement. Mike Horan noted that one of the first steps of the project is to develop representative job classifications across WPI's various divisions (internal benchmarking). He also mentioned that it is important to identify appropriate peer institutions for comparison (external benchmarking).

6. WPI Spending on outside consultants

The committee briefly discussed the process for hiring outside consultants. CFO Horan noted that incoming President Grace Wang expressed interest in this area of institutional spending patterns. He has been busy analyzing data and asking departments to assess their expenditures and to justify instances where continuing reliance on outside consultants would make sense.

Chair Spanagel asked for a ballpark number that might help FAP understand the relative size of this category of spending. CFO Horan responded that in FY22 the amount spent on all outside consultants totaled to about \$5 Million. Some significant contributors included one-time costs like hiring an outside firm to lead the search for new administrative leaders for WPI. Systematic review of ongoing expenditures, however, has already suggested some opportunities for savings. For example:

- 1) The routine hiring of our outside auditing firm may be costing about \$100,000 more per year than it would if we were to hire a firm that is smaller and more locally-based.
- 2) We spent more than \$700,000 last year on outsourcing our moving expenses (extraordinary moving needs around Kaven and Unity Hall). It is worth considering whether buying a truck and retaining a handful of employees who could perform those services on an ongoing basis might be both cheaper and more convenient. The shuttle service is yet another example that might be reexamined.
- 3) Certain aspects of our institutional research needs could take better advantage of our faculty's expertise. For instance, we have asked a WPI faculty member to lead an in-house team to conduct our classroom capacity study, rather than hiring Huron consulting or some other outside group to do that for us this time around.

One FAP member cautioned that it always important to balance potential conflict of interest considerations against the opportunity for savings, when deciding whether or not to use current WPI employees to investigate and make recommendations. He urged CFO Horan to document the process according to which RFPs get designed and targeted to employ external resources, and to record somewhere how and why the decision is made to instead acquire or employ already present internal talent for a task. He would also like FAP to clarify the role that faculty can and should play in providing valuable input to that subset of those outsourcing decisions where faculty expertise could be helpful.

Another FAP member asked how frequently WPI reviews its ongoing consultant contracts. CFO Horan noted that these arrangements vary from an annual award of the campus plumbing contract, for example, to something more like a five-year agreement to work with the same financial auditing firm.

6. The meeting was adjourned at 9:58am.

Respectfully,
Hal Walker
FAP Secretary