

Financial and Administrative Policy Minutes
22nd Meeting, AY 2022-23

Monday, March 20, 2023, 9:00 am

Meeting held remotely; Zoom meeting ID: 960 6087 3656

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

1. The meeting was called to order at 9:02am
2. The agenda was approved
3. The Minutes of the 21st meeting were approved as amended
4. Capital plan for building more classrooms and an HUA/performance building

The Executive VP and CFO gave an overview of various capital planning efforts on campus. Regarding student housing, WPI is currently receiving bids for a new freshman dorm (~400 beds), to be located across Institute Road from Daniels Hall (where the Ellsworth Apartments currently reside). To not take on additional debt and maintain a favorable bond rating, the project is being carried out as a P3 project. A private company will build and manage the dorm, but rent the land from WPI. WPI is asking for a 50-year lease, paid upfront. It is expected this will generate ~\$10M-\$15M. WPI is not providing a guarantee that all the beds will be filled, though beds will be made available to non-freshman WPI students if not completely filled by freshman. The goal is for the dorm to open for Fall, 2026.

The Executive VP and CFO also noted that WPI is preparing to initiate the process of updating the Master Plan. It is expected to be a 1-year process to update the plan. The goal of the Master Plan is to provide a roadmap for future capital projects. A number of opportunities will be evaluated as part of this planning process. For example, WPI currently owns a number of houses which are expensive to retrofit, maintain and manage for as student housing (on a per student basis). It might make more sense to tear down these structures and building larger, single structure housing units. The WPI Townhouses (formally the "Salisbury Estates") are at their "end-of-life" stage. The Master Plan will evaluate whether it is better to build additional housing at this site, or alternatively, extend the academic/research campus in this space. There is also interest in additional building at Gateway 3. These are just examples of some of the options to be considered. In the short term, the Executive VP and CFO indicated renovations are more likely than new buildings.

Members of FAP asked whether we currently have a Master Plan and if it makes sense to move forward with the new dorm before the new Master Plan is completed. The Executive VP and CFO indicated that we do currently have a Master Plan but it needs to be updated. However, he added that it is clear that there is significant need for additional student housing. We currently house 48% of our undergraduate students. The goal all along has been to house 60%. Also, the current Master Plan did not consider much growth. The classroom space audit (which considered

both the quality and utilization of space) indicated we were very tight on space prior to opening Unity Hall. A member of FAP asked whether the VP of Campus Planning & Facilities (Eric Beattie) will be involved in this process. The Associate VP of Academic Affairs noted that Eric Beattie is leading this process and that the Director of Design and Construction (Nick Palumbo) is also very actively involved. They all meet regularly to discuss strategy and opportunities. Another member of FAP asked whether rent increases would be capped as part of the nonprofit private-for profit partnership contract. The Executive VP and CFO indicated the contract will specify that the rate of rent increases can be no higher than increases for other WPI dorms.

A member of FAP highlighted the need to connect the Master Plan for capital infrastructure to any plans for additional academic growth, given that our budget is heavily dependent on tuition revenue. The Executive VP and CFO indicated these discussions are occurring simultaneously. He further offered that tuition increases are a challenging way to increase revenue and that increasing the number of students is more feasible. To this end, one goal is to increase graduate admissions. He reiterated (from an earlier FAP meeting) the results from a recent capacity study that showed that there is some existing space on campus to grow but not in all areas. He noted other opportunities for increasing revenue such as commercialization of intellectual property. In short, he highlighted the need to diversify our revenue streams in order to ease the pressure on tuition.

Finally, members of FAP highlighted the need to include faculty governance in the planning process. It was noted by one member of FAP that COG was involved during the last planning process for growth which had resulted in the Trustee approval of a plan to bring undergraduate population up to a plateau of 5000 and dual mission tenured and tenure track faculty up to 300.

5. The meeting was adjourned at 9:59am.

Respectfully,
Hal Walker
FAP Secretary