

Financial and Administrative Policy Minutes  
26<sup>th</sup> Meeting, AY 2022-23  
Monday, April 24, 2023, 9:00 am  
Meeting held remotely; Zoom meeting ID: 997 1982 8892

Members: David Spanagel (HUA, Chair), Hal Walker (CEAE), Joe Sarkis (BUS, FAP appointee to RPC), Tanja Dominko (BBT, COG Appointee), Mike Horan (Executive VP and CFO, *Ex Officio*)

1. The meeting was called to order at 9:01am
2. The agenda was approved
3. The Minutes of the 24<sup>th</sup> meeting were approved as amended
4. The Minutes of the 25<sup>th</sup> meeting were approved as amended
5. Updates on FY24 budget

The Executive VP and CFO gave an update on the FY24 budget and a preview of content to be shared with the broader campus community on Wednesday, April 26 (which is to also include an update on FY23 Financial Performance). The Executive VP and CFO noted that WPI will hit the budget targets for FY23. Only a few departments are not within budget and they are working with them to resolve the budget issues.

For FY24, there is an expected 3.5% increase in revenue. The incoming undergraduate class is expected to be between 1375-1400. The total operating budget for FY 24 is expected to be \$293M (of which, \$179M is for salary and benefits). This is \$10M greater than the FY23 operating budget of \$283M. The “draw” on the endowment is expected to be 4.6%, which is the typical rate.

Although there is a \$10M increase in revenue, a significant fraction of this increased revenue will be used to cover the planned increase in tuition discount rate. Further, current projections are that the final discount rate will be slightly higher than planned. The Executive VP and CFO described a number of strategies WPI will be pursuing to increase revenue in the coming years while continuing to enhance the diversity of the student body despite expected future rulings by the Supreme Court. Currently, 89% of the geographical areas we currently recruit in will be affected by the student enrollment cliff. One strategy to deal with these issues is to “broaden the funnel” and recruit students from a wider geographic area in the U.S. as well as increase the recruitment of international students.

One member of FAP asked the Executive VP and CFO how WPI will be prioritizing resources given this challenging budget situation. The Executive VP and CFO described some of the important budget priorities in the coming year, including faculty raises and the impact of the

graduate student union on compensation. The Executive VP and CFO also described the bond buy-back program. Given current market conditions, WPI is able to buy back bonds for less than they were sold for and thereby reduce debt in the process. In the coming years, WPI will be looking to provide additional resources to programs with strong demand (e.g., high student/faculty ratio).

The Executive VP and CFO also noted they are looking at better ways of allocating benefit dollars. For example, they are considering whether it would be better to stop or reduce the retirement match for summer salary as a way to restore some of the retirement match lost on academic year salary. WPI also currently provides unlimited sick time even beyond the timeframe at which disability benefits are available. The Executive VP and CFO noted that they are looking to have some policy proposals on benefits in Fall, '24 for possible implementation Jan. 1, 2025.

A member of FAP asked whether they are looking at the cost of software including the contract for Workday. The Executive VP and CFO noted that WPI spends ~\$7M on software such as Workday and Salesforce. A member of FAP asked whether it is time to review or audit Workday to see if it is meeting the original goals. The Executive VP and CFO did not know of any current audit going on but agreed it would be useful to review the original goals.

#### 6. Update on the status of the staff compensation study

The Chair of FAP and the Executive VP and CFO gave FAP an update on the staff compensation study. The study is currently analyzing 778 job descriptions. Of these, 118 job descriptions have been completed and 498 are in process. A member of FAP asked whether job descriptions submitted to the College and University Professional Organization (CUPA) could be used for this. The Executive VP and CFO explained that the job descriptions for the staff compensation study are much more detailed compared to those submitted to CUPA. Once the job descriptions have been completed, the consultant on the project will benchmark them based on market data. It is expected this will continue through Fall, 2023. Ultimately, they will estimate how much money will be required to address equity issues in staff compensation.

A member of FAP asked whether there has been any recent benchmarking of faculty salaries. There has not been a completed report benchmarking WPI faculty salaries for 5-6 years. It was agreed that a member of FAP would draft a proposal for an ad-hoc faculty compensation committee for consideration at a future meeting.

The Chair of FAP also recommended that FAP draft a proposal looking at adjunct faculty compensation, and in particular, how to address stark variations in off-campus project advisor pay scales depending on if they advise during the summer or academic year. It was agreed FAP would draft a proposal to look at this and other issues associated with adjunct faculty compensation.

#### 7. The meeting was adjourned at 10:01am.

Respectfully,

Hal Walker  
FAP Secretary