

Financial and Administrative Policy Minutes
28th Meeting, AY 2022-23
Monday, May 8, 2023, 9:00 am
Meeting held remotely; Zoom meeting ID: **997 1982 8892**

Members: David Spanagel (HUA, Chair), Hal Walker (CEAE), Rob Dempski (CBC, Chair of FBC), Joe Sarkis (BUS, FAP appointee to RPC), Tanja Dominko (BBT, COG Appointee), Kris Sullivan (Associate VP of Academic Affairs), Mike Horan (Executive VP and CFO, *Ex Officio*, arrived 9:47)

Guest: Stephan Sturm (MA, newly elected FAP member)

1. The meeting was called to order at 9:00 am
2. The revised agenda was approved
3. The Minutes of the 26th meeting were approved as amended
4. Approval of the Minutes of the 27th meeting were postponed to the next meeting
5. Identify a prospective “NTT” (secured contract TRT professor) FAP can appoint to serve a three-year term on Fringe Benefits Committee (2023-2026)

The committee discussed possible candidates as FAP appointees to serve on the FBC. The Chair of FAP will reach out to possible candidates to assess their interest and report back to FAP.

6. Discuss initial draft proposal that FAP propose establishment of a Faculty Compensation Committee

Prof. Dominko presented two possibilities for the structure of a Faculty Compensation Committee. The first possibility would maintain the existing Faculty Governance committee structure essentially “as is” but add a new Compensation Committee. In this scenario the existing structure of the FBC would remain unchanged. The second possibility would eliminate the FBC as it is currently structured and incorporate its responsibilities into the new Compensation Committee.

Members of FAP were interested in whether any of the proposed roles and responsibilities of this new committee were already within the purview of FAP. A member of FAP suggested that it would make sense to establish this new committee only if the proposed responsibilities fall outside of the current charge of FAP or other faculty governance committees. If the proposed responsibilities are already within the purview of FAP then it might make more sense to place greater weight on issues of compensation in the future within the existing committee structure, rather than creating a new committee. One member of FAP noted that the official charge of FAP is fairly general, and as such could be interpreted to include these responsibilities. Another member of FAP noted that these issues of compensation have not been given the attention they deserve by FAP, or faculty governance more generally. The Chair of FAP noted that the

committee will be gaining members next year and so it might be reasonable to give more attention to issues of compensation within FAP.

Many of the members of FAP felt that it made sense to have a single committee address issues related to benefits and compensation so that these issues can be evaluated in a more holistic fashion. A member of FAP further noted that the FBC can feel like a “secondary committee” at times and so it would be beneficial to elevate the status of a new Compensation Committee as a regular, standing committee within Faculty Governance.

FAP also discussed the role of staff in a new or reconstituted Compensation Committee. In general, members of FAP felt it was important to have staff representation on such a committee since compensation of faculty has an impact on staff as well. A member of FAP highlighted that merit pools are fixed and so changes to the distribution affect everyone. One member of FAP suggested there should be an *ex officio* member from Talent and Inclusion. FAP also discussed whether staff should be voting or non-voting on such a committee. It was noted that difficulties recruiting members onto the FBC raise the question as to whether there would be enough interest to populate a new committee. It was further noted that it might be easier to recruit staff members if they have a vote.

7. Discuss draft proposal that articulates principles to follow and outlines the work to be done to assess adjunct compensation practices across the Institute and throughout the academic year and summer

Prof. Walker and Associate VP Sullivan proposed some “next steps” to be carried out by FAP related to the issue of adjunct compensation. As an immediate next step, FAP agreed it would be helpful to draft a survey to obtain more information about possible issues related to adjunct compensation on campus. Prof. Walker and Associate VP Sullivan agreed to work on this over the summer, with support from Prof. Sarkis.

8. Do we routinely calculate the amount of debt which WPI has incurred? What was that amount during Laurie Leshin’s presidency?

The Executive VP and CFO gave an historical overview of the amount of debt incurred by WPI. He noted that prior to Laurie Leshin’s presidency WPI had about \$80M in bond debt. As of last year, bond debt was \$395M. He noted that during this time span in which WPI incurred this debt, the “debt was cheap” and it supported a number of new buildings (Unit Hall and the renovation of Kaven Hall as examples). A member of FAP noted that the “debt service” used to be \$13M-14M per year and asked what it is now. The Executive VP and CFO estimated the yearly debt service is now around \$20M. He noted further that after this year’s bond buy-back program WPI’s total debt will be around \$380M. He highlighted that WPI will need to rely more on fund raising (or private partnerships as proposed for the new dorm) for large capital projects in the future so as not to accrue additional debt. He also noted that WPI only pays interest on the debt and so balloon payments will be needed as bonds come due. He highlighted however, that this is decades in the future.

9. The meeting was adjourned at 10:04 am.

Respectfully,
Hal Walker
FAP Secretary