

WPI Committee on Administrative and Financial Policy (FAP) Annual Report 2022-2023

Committee Members: Professor David Spanagel (FAP Chair), Professor Tanja Dominko (FAP Secretary A + B terms), Professor Harold Walker (FAP Secretary C + D terms), Professor Robert Dempski (Fringe Benefits Committee Chair), Professor Joseph Sarkis (FAP Representative on the Retirement Planning Committee), Executive Vice President/CFO Michael Horan, and Associate Vice President for Academic Affairs Kristopher Sullivan.

Special guests: from time to time, FAP welcomed other members of the WPI community for input and consultation on various specific matters, including Associate Dean of Students Emily Perlow, Global School Associate Dean Kent Rissmiller, Advancement VP Donna Stock, Professor Sarah Strauss, Talent & Inclusion VP Lauren Turner, Vice Provost for Research Bogdan Vernescu. In addition, one joint meeting was also held with the members of the Committee on Graduate Studies and Research, to which representatives of the Graduate Workers Union and Secretary of the Faculty Mark Richman were invited.

Agenda Items

At the beginning of the academic year, FAP solicited input from the faculty at large. The comments and suggestions that we received helped to organize our committee's agenda for the year. Major items of concern included:

1. Following up on the Faculty's May 2022 resolution requesting that WPI restore employee retirement match contributions to 11%.
2. Completing analysis of WPI's Executive Compensation practices which began during the Spring of 2022 and providing a report to the Faculty with FAP recommendations.
3. Investigating the need to increase PLA and GLA salaries and to address Graduate Student concerns about employment conditions more generally (in the light formation of Graduate Worker's Union at WPI).
4. Understanding the efforts Talent & Inclusion has launched to study and ameliorate compensation inequities among administrative staff.
5. Investigating stark variations in off-campus project advisor pay scales depending on if they advise during the summer or academic year.

As time passed, other questions were also brought to the attention of the committee, resulting in a secondary list of things to be investigated, discussed, and addressed (time and energy permitting):

- A. Would FAP review and sponsor a resolution entitled "Divesting, Investing, and Transforming for Carbon Neutrality: Accountability in Energy Systems, Climate Action, and Sustainability at Worcester Polytechnic Institute," for consideration and a vote of approval at a full meeting of the WPI Faculty?
- B. Is there a capital plan for building more classrooms and an HUA/performance building?
- C. Is there a sustainable plan to acquire and maintain state-of-the-art shared instrumentation targeted to both undergraduate and graduate students?

- D. Do we routinely calculate the amount of debt which WPI has incurred? What was that amount during the LL years?
- E. Can we present the university's philosophy of endowment management, and better understand how and why endowment preservation/growth has been increasingly prioritized over time at the expense of supporting institutional budgetary priorities?
- F. How does the capital campaign support the operating budget, if at all?
- G. Is WPI prepared to build a realistic planning model (to cope with inflation) which include provisions for maintaining educational quality and a sustainable work environment?
- H. Can FAP share information on: a) current faculty salary ranges broken down by rank, gender, and school (if not department/program); as well as b) a longitudinal study of the salary developments at WPI, median salaries per employment group compared to each other as well as to consumer price index?
- I. How much money does WPI spend annually for Workday and other software licensing?
- J. How much money does WPI typically spend on hiring outside consultants to help address institutional research questions or other needs?
- K. Would FAP intervene to address Math faculty concerns about opportunities for timely faculty input on building renovation plans in Stratton Hall?
- L. How are budgets developed to support Gateway, which contains many labs in BBT, CBC, PH, CHE, and BME in addition to support services?
- M. Is it time to retire the Administrative Policy Group (APG) and restore discussions about “administrative policies” back into FAP and discussions about “IT policies” back into CIP, where they belonged according to our WPI shared governance system all along?
- N. What can be done to fix the Quorum (operating at a loss)?
- O. Will FAP act on FBC’s recommendation regarding Elder and Child Care Benefits?

Accomplishments, Partial Progress, and Other Outcomes

FAP met a total of 29 times in 2022-23. Taking each of the agenda items listed above in turn, here is what FAP achieved:

1. Board of Trustees and WPI Administration response to May 2022 Faculty resolution’s request for restoration of retirement match to its pre-WPI Forward level?
 - a. FAP members asked VP Turner and CFO Horan directly about this on 11/15/22.
 Excerpt from meeting #10 minutes: *“SVP/CDO Turner indicated that she couldn’t provide a response on behalf of the Board of Trustees to the faculty resolution from May 2022 requesting that WPI restore employee retirement match contributions to 11%. However, she thanked the Fringe Benefits Committee (FBC) for their work last year in generating the resolution. She agreed that providing timely responses to faculty concerns would represent good practice and ensure open communication between the Board of Trustees and the faculty. She explained that the resolution was forwarded to the Trustees after the budget had been approved by the Board of Trustees and no changes could have therefore been expected for the current year.*
Mike Horan highlighted the need to review and prioritize several competing priorities for

the institution while considering the challenges associated with the size of the budget. With revenue increasing slightly by the approved 3.5% increase in tuition and residential services, this new revenue is offset by increasing tuition discount to freshmen from 47.9% to 49.5%. He anticipates that an increase to 11% would not be supported but that an increase to 10% in the retirement benefits contribution would be more reasonable based on peer comparisons with other Worcester institutions of higher education."

- b. FAP members asked CFO Horan about the status of this request at various points during the budget preparation process (on 3/13/23 and 4/24/23). At that latter meeting, CFO Horan suggested the possibility of some action within a larger framework of reassessing employee benefits. Excerpt from meeting #26 minutes: *"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."*
- c. To date, FAP remains unaware of any official acknowledgment to faculty governance leaders that they received the Faculty's May 2022 resolution, nor have they indicated any commitment to act upon it in any positive manner.
- d. Details of the FY24 budget that was approved by Trustees in May 2023 were not accessible to FAP members or its chair.*

* 2023 saw the end of a practice which used to enable "open communication between the Board of Trustees and the faculty," particularly when it comes to sharing views about financial policy or campus infrastructure matters. For well over a decade, the FAP committee chair had been welcome to attend meetings of the Budget & Finance and the Facilities & Infrastructure committees (just as the Committee on Governance Chair and the Secretary of the Faculty are invited to attend Trustee committee meetings). The FAP Chair would also routinely receive meeting materials and agendas for those two trustee committees.

- In October 2022, FAP Chair Spanagel attended the Budget & Finance committee meeting, although the meeting documents were not shared in advance.
- In February 2023, FAP Chair Spanagel was omitted from any Trustee Committee meeting invitations (inadvertently, it was claimed). He did not attend because he was unaware of where and when the meetings were to take place.
- In May 2023, FAP Chair Spanagel was informed that henceforth, all Trustee Committee meetings would be "closed" to any faculty, staff, Deans, or even Cabinet members who were not officially listed as that committee's members, liaisons, or invited presenters.

Because of the Board's new "closed meetings" policy, FAP Chairs can no longer assist the CFO or the VP for Campus Planning in addressing Trustee questions about faculty perceptions about financial matters or the campus infrastructure. When President Grace Wang learned of Prof. Spanagel's personal disappointment at being disinvented from the May Trustee meetings, she invited him to meet with her to share his concerns. Their 5/23/23 conversation was cordial, but no hope was offered that the Board might reconsider its action to bar future FAP Chairs from routine attendance at relevant Trustee Committee meetings. One longstanding gesture toward shared governance and an important mechanism for open Faculty/Trustee communications on financial matters has been eliminated.

2. Report on WPI Executive Compensation – FAP worked intensively during its first month of meetings to revise and update the Executive Compensation analysis. On 10/6/22, FAP Chair Spanagel presented the results and recommendations coming out of that work to a General Meeting of the WPI Faculty.
3. Fiscal implications of the formation of a Graduate Workers Union – FAP hosted a joint meeting of FAP and CGSR with GWU representatives on 11/22/22. This meeting provided an early opportunity for questions to be answered about how and why the union was formed. Negotiations between the university and union’s bargaining teams were pursued throughout the rest of the academic year. FAP never received any detailed reports or updates about how the results of those negotiations would affect the overall FY24 budget.
4. Staff Compensation Study – VP Turner shared an outline of the comprehensive benchmark study for staff compensation when she met with FAP on 11/15/22. FAP Chair Spanagel and CFO Horan were both subsequently appointed to serve on an Advisory Committee working with Talent & Inclusion and the Segal Project Team consultants – Chair Spanagel provided periodic updates on the project to the committee on 1/30/23 and 4/24/23.

As of 6/30/23, the Advisory Committee’s work was still underway, with job descriptions having been collected, a job classification framework being developed, and equity and market comparison assessments yet to be calculated. Some funding was earmarked in the FY24 operating budget planning to be able to partially address some extreme shortcomings as early as the October 2023 staff salary increases, but it was expected that multiple years will be required to fully respond to the equity needs highlighted by the study.

5. Adjunct compensation practices – FAP initially interrogated the concerns of an adjunct professor who was concerned that the compensation for academic year off campus project advising had not been increased at all for many years, while summer off campus project advising had grown increasingly lucrative for those who could accept those assignments. Global School Associate Dean Kent Rissmiller met with FAP on 11/29/22 to document and understand stark variations in off-campus project advisor pay scales, depending on if they advise during the summer or academic year. The committee discussed Dean Rissmiller’s helpful data at subsequent meetings (12/5/22 and 2/6/23), and then articulated principles to follow when engaging in a broader consideration of these issues (5/1/23).

On 5/8/23, a subcommittee (comprised of Prof. Walker and AVP Sullivan, with Prof. Sarkis available for consultation) agreed to work over the summer to develop a survey instrument to assess adjunct compensation practices in general at WPI, with the goal of developing a FAP recommendation in the Fall of 2023 on how to improve equity in adjunct compensation practices.

- A. “Divesting, Investing, and Transforming for Carbon Neutrality: Accountability in Energy Systems, Climate Action, and Sustainability at Worcester Polytechnic Institute” – FAP met with Prof. Strauss at two key points during her work to bring forward and then negotiate a consensus version of this initially student-launched resolution that could receive faculty as well as administrative leadership and ultimately Trustee support (9/21/22, 1/9/23). On 2/2/23, Prof. Spanagel and Prof. Strauss jointly presented the resulting resolution at a General Meeting of the Faculty, which voted to approve it. Secretary of the Faculty Mark Richman presented the resolution to the WPI Trustees at their February 2023 meeting.
- B. Capital planning for more buildings – FAP learned at its meeting on 3/20/23 that a private-for-profit partnership was being explored to build a new residence hall on the southern edge of campus during the coming year. FAP also learned then that an effort will be launched during the coming academic year to revise the campus Master Plan (with input from all constituencies, but under the guidance of VP for Campus Planning & Facilities Eric Beattie and the Director of Design & Construction Nicholas Palumbo). FAP members highlighted the need to connect the Master Plan for capital infrastructure to any plans for additional academic growth and urged that elected faculty governance representatives be fully included in all such planning conversations.
- C. Shared instrumentation – FAP members began to discuss this matter in the context of the Gateway question (see item L below) but FAP later embraced broader questions of instrumentation acquisition (both for teaching as well as for research) when FAP met with VPR Vernescu on 4/3/23. During that last conversation, FAP learned more about the emerging use of “cost centers” as a mechanism to charge for the use of major equipment. VPR Vernescu reassured FAP members that the Research Development Council continues to meet quarterly, providing feedback to the VPR. The RDC is composed of members nominated by the Deans as well as the Chair of CGSR. FAP recommended that the RDC be encouraged to disseminate the minutes of its quarterly meetings, so that its existence and activities could be more widely appreciated.
- D. WPI’s debt burden history and trajectory – CFO Horan provided a response to this question at FAP’s meeting on 5/8/23. Excerpt from meeting #28 minutes: “[Horan] 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 [building projects](Unity Hall and the renovation of Kaven Hall as examples).”
- E. Philosophy of endowment management – This item was never directly addressed. It came up in passing during a broader discussion at FAP’s meeting on 11/1/22, wherein the committee reviewed the important role that FAP can play in helping the CFO to educate the WPI community about all the various pieces that support our Institute’s ability to fulfill its mission. Excerpt from meeting #8 minutes: “[There is] a widespread

hunger for investigative reporting by FAP to better illuminate the Institute's investment and expenditures practices as well as assessing the financial consequences of strategic choices that have been made or are being contemplated. With appropriate planning and effective outreach to Finance and Institutional Research resources for accurate data, we should be able to inform the community on other activities that have implications for availability of resources, such as reviewing endowment management philosophy and performance and its impact on operating budget, and strategies for increasing the impact of capital campaign on operating budget."

- F. How fundraising campaign gifts affect operating budget – A preliminary discussion of this item at FAP's 11/1/22 meeting led to a reframing of the question to better understand why targets for Advancement efforts at fundraising for annual giving (which go directly to operating budgets) have remained stagnant for many years despite the dramatic growth in the number of WPI alumni over the past decade? At its 11/29/22 meeting FAP decided to invite Advancement VP Stock to help us better understand these various moving pieces. VP Stock met with FAP on 2/13/23 and shared slides that she had prepared to illustrate: a) how funds raised through annual giving get allocated either to specific funds (about half) or as unrestricted gifts to support the operating budget (the remaining half); and b) what the past 5 years has looked like in terms of the escalation of fundraising goals (from ~\$3 Million/year before Covid to ~\$5 Million/year now).
- G. Realistic financial planning to account for inflation and preserve educational quality and a sustainable work environment – AVP Sullivan provided a summary of WPI's current annual budget development process (at least for the Academic Affairs portion of the budget) at FAP's meeting on 11/9/22. FAP then tried to act on the gist of this faculty member's request. Excerpt from meeting #9 minutes: "[FAP members] *asked CFO Horan to provide and review WPI's financial model at its next meeting. The committee would like to understand how the model is used to build a realistic financial plan that WPI can use to develop budgetary solutions that will maintain educational quality, allow implementation of strategic initiatives, and a sustainable work environment.*" Because the next two meetings involved guests (VP Turner's visit and the joint meeting with CGSR), however, FAP never interrogated the CFO's financial planning models.
- H. Faculty compensation by rank, status, gender, school, department/program, etc. – FAP delved into the now long overdue need for a more comprehensive faculty compensation benchmark study when it met on 5/8/23. Prof. Dominko had done some excellent preliminary investigation of faculty governance structures at comparable universities and came forward at this committee meeting with some alternative possibilities to consider: 1) establishing a new Faculty Compensation Committee at WPI that could undertake to monitor faculty salaries at every level and in every category every year; 2) merging compensation together with benefits and thus enlarging the domain and the workload of the current ad hoc Fringe Benefits Committee; 3) thinking differently about how FAP could prioritize its annual agenda of items to consider by making Faculty

salaries the sole focus of effort (for a subset of FAP members, at least). Because the year was nearly over, FAP asked Prof. Dominko to continue working on a proposal that FAP could take up in earnest consideration during the Fall of 2023.

- I. Expenditures on software licensing – FAP discussed this item briefly at its meeting on 4/26/23. Excerpt from meeting #26 minutes: *“WPI spends ~\$7M on software such as Workday and Salesforce.”*
- J. Expenditures on outside consultants – FAP discussed this question at its meeting on 1/30/23. CFO Horan commented that incoming President Wang was keenly interested in understanding WPI’s institutional spending patterns, so he was actively assembling a lot of pertinent data. Excerpt from meeting #16 minutes: *“... in FY22 the amount spent on all outside consultants totaled ... about \$5 Million.”*
- K. Addressing Mathematics faculty members’ unhappiness about how they were consulted regarding Stratton Hall renovation plans – This matter came up in two FAP meeting discussions (1/30/22 and 2/13/23). At the first meeting, FAP members absorbed conflicting narratives about how initial conversations were perceived as “decisions” and about the frustrations experienced by various participants in those conversations. AVP Sullivan reported at the second meeting what he learned in follow-up conversations with the Mathematical Sciences Department’s Head and the Associate Director of Operations. The committee sensed that persistent faculty concerns about renovation outcomes might not be satisfied by FAP’s inquiry into the consultation process.
- L. Gateway equipment procurement processes – Initially, an allegation was brought forth that the Gateway budget request is developed and submitted by a single staff member but does not receive direct inputs from either the LSBC or the Vice Provost for Research prior to submission. FAP wished to learn whether this description was accurate, and if so, was that kind of concentration of responsibility typical of any other shared academic spaces on campus? The matter was discussed in FAP’s meetings on 2/20/23 and 3/13/23. In the first meeting AVP Sullivan described how budgets are developed for shared spaces. Excerpt from meeting #17 minutes: *“For Gateway, [capital] budgets are developed by the Advisory Committee for LSBC which includes staff as well as department heads... and the VPR.”* But it was less clear whether the Advisory Committee for LSBC exercises oversight regarding budgeting priorities for equipment maintenance and operating expenses. As a result of FAP’s calling attention to a potential concern, AVP Sullivan met with several life sciences Department Heads and PIs to better understand how the needs of some programs and researchers may not always be reflected clearly in LSBC staff perceptions of equipment priorities. AVP Sullivan planned to confer with VPR Vernescu so that he can incorporate these insights into an improved budget planning approach for LSBC.

- M. Should the APG be discontinued? – FAP never found an opportunity to take up this question. It remains on the table. Perhaps it can be resurrected as an item for next year's committee agenda.
- N. Update on the Quorum's fiscal plight – The Fringe Benefits Committee (FBC) had received an informative presentation on this matter in the spring, and so it was brought up as an item for FAP members' awareness and consultation. Associate Dean of Students Emily Perlow reiterated her presentation for FAP at its 5/1/23 meeting. Excerpt from meeting #27 minutes: *"[The Quorum] was opened in 2018 and is currently operating at a loss of close to \$25k per year. The FBC is currently looking at a number of alternative scenarios, including (1) continue operating at a loss, (2) closing the Quorum, (3) extending hours and offering lunch, (4) recruit a third-party vendor to operate the Quorum, (5) open the Quorum to student traffic and accept meal plans, (6) keep the Quorum open for faculty and staff with some limited self-service items and mobile check out, and (7) employ a "faculty club" or "coffee club" model and charge regular dues or membership fees."*
- O. Elder and Child Care benefit proposal – Immediately after classes ended in early May, FBC approved a motion to recommend "that WPI offer a backup or emergency childcare/elder care benefit plan beginning in academic year 2023/2024." FAP members did not have sufficient meeting time in the year to take up consideration of the proposal, or even to get some basic questions answered about its potential fiscal impact if adopted. This FBC motion should be placed at the top of the list of items for FAP to take up once regular meetings resume at the end of the summer break.

Miscellaneous

At its final meeting of the year (6/27/23), FAP appointed Associate Teaching Professor of Computer Science Wilson Wong to serve a 3-year term on FBC. FAP said goodbye to its outgoing chair, David Spanagel and welcomed two newly elected faculty members to the committee: Stephan Sturm and Suzanne LePage.

Initial leadership roles for the committee AY2324 were also selected on 6/27/23: Harold Walker will enter the year as FAP's new Chair, Joseph Sarkis will serve as FAP Secretary for A term only, Robert Dempski will continue for a second year as the Fringe Benefits Committee chair, and Stephan Sturm will serve as FAP's faculty appointee to the Retirement Plan Committee. Some of these roles (definitely the FAP Secretary) may end up rotating among the committee members as the year proceeds.

Respectfully submitted,

David Spanagel, FAP Chair AY 2022-23
August 7, 2023