

**Committee on Financial and Administrative Policy (FAP)**  
**Annual Report**  
**Academic Year 23-24**

**Members:**

Harold Walker (CEAE, FAP Chair, FAP representative to the APG)  
Rob Dempski (CBC, FAP representative and FBC Chair)  
Tahar El-Korchi (CEAE, COG representative to FAP, B-term Secretary)  
Mike Horan (Executive VP, CFO)  
Suzanne LePage (CEAE, C- and D-term Secretary)  
Joseph Sarkis, (BUS, A-term Secretary)  
Kris Sullivan, (Associate VP for Academic Affairs)  
Stephan Sturm (MA, FAP representative on the RPC)

The Committee on Financial and Administrative Policy met 29 times in the 2023-2024 academic year. Members of FAP also served as chair of the Fringe Benefits Committee (FBC) and acted as FAP representatives on the Retirement Plan Committee (RPC) and Administrative Policy Group (APG). A summary of the specific activities of FAP is presented below.

- A. Community input and prioritization of issues.** To begin the academic year, FAP solicited broad input from WPI faculty on issues of a financial and administrative nature affecting WPI. Over 30 specific topics or issues were identified and organized into the categories of Salary and Benefits, University Finances, Administrative Policies, Facilities, and Shared Governance. The committee then discussed and ranked each specific issue. The complete list of issues was distributed to the faculty through the approved minutes. Based on this ranking and additional discussion, the committee prioritized the following issues for the 23-24 academic year: Initiate a new faculty compensation survey; establishment of a new “Faculty Compensation Committee;” retirement benefits; and budget planning and allocation. While FAP prioritized these issues in AY 23-24, the committee also addressed a number of other topics during the year.
- B. Faculty Compensation Survey.** A survey of faculty compensation at WPI has not been carried out since 2017. FAP advocated to Talent and Inclusion to initiate a new faculty compensation survey as soon as possible. FAP also advocated for significant involvement of faculty designing the survey and evaluating the results.
- a. FAP met with the Senior Vice President (SVP) of Talent & Inclusion multiple times during the year to advocate for a new faculty compensation survey.
  - b. Upon securing a commitment from the SVP of Talent and Inclusion to initiate a new faculty compensation survey, FAP coordinated with Talent and Inclusion to define the charge and scope of the survey. FAP also recommended identifying an advisory group of faculty to collaborate with Talent and Inclusion on the survey.

- c. The faculty compensation survey is expected to take place over the 24-25 academic year and be completed in 2025.

**C. Establishment of a new “Faculty Compensation Committee (FCC).”** Given the significance of faculty compensation to WPI faculty and the overall budget, FAP explored establishing a new standing committee on faculty compensation. Specific activities of FAP related to this topic included:

- a. At the beginning of the academic year, FAP reviewed an earlier proposal by FAP for establishing the FCC, which also benchmarked similar shared governance structures at other universities.
- b. FAP had numerous discussions during FAP meetings about the need, rationale, and structure of an FCC. FAP also had preliminary discussions with the Committee on Governance (COG) and the Secretary of the Faculty to solicit their input early in the process.
- c. Toward the end of the academic year, FAP developed a preliminary motion to establish the FCC and presented it to COG for additional input. The preliminary motion proposes a new standing committee on faculty compensation. The Chair of the FCC would serve as an ex-officio member of FAP. The draft motion also proposes that the Chair of the Fringe Benefits Committee be selected by the FCC, rather than FAP, necessitating changes in these committees as well.
- d. FAP intends to finalize a set of motions in fall of 2024 for consideration by the WPI faculty.

**D. Retirement Plan, single record keeper decision.**

- a. Through the FAP representative on the Retirement Plan Committee (RPC) and the CFO, FAP stayed informed on the request for proposals for a single record keeper of the WPI Retirement Plan. The FAP representative on the RPC also provided input during the process.
- b. FAP met with members of the RPC and the consulting firm overseeing the request for proposal for a single record keeper to provide input.
- c. FAP had multiple discussions with the CFO in regular FAP meetings regarding the single record keeper decision.
- d. On multiple occasions, FAP advocated for greater outreach by the administration and more faculty input in the decision-making process.
- e. The Chair of FAP made a brief presentation on the status of the single record keeper decision-making process at the Faculty Meeting on February 14, 2024 and an update at the final faculty meeting of the year.
- f. At the end of the academic year, FAP secured a commitment from the administrative that a final decision regarding whether to move to a single record keeper would not be made over the summer break, and not before additional faculty input was solicited.

**E. Efforts to restore the 11% retirement match.** The employer contribution to the WPI retirement plan was reduced from 11% of compensation to 8% of compensation in July

of 2020. The rationale at the time, provided by the Executive VP and CFO and Executive VP of Talent and Inclusion (both of which are no longer in these positions), was that “the economics of how we operate is changing quickly” due to Covid-19.

- a. FAP has advocated in conversations with the SVP for Talent and Inclusion on numerous occasions during the past academic year for restoring the employer contribution to the retirement plan back to 11%, in whole or part.
- b. The primary rationale expressed to FAP for not restoring the employer contribution is that the current 8% employer contribution is consistent with our peer institutions.
- c. Further, the administration has expressed that an increase in the employer contribution would likely necessitate decreasing other benefits. One proposal made by the administration, for example, would be to eliminate the employer contribution on summer salary and re-allocate it to regular, academic year salary.

#### **F. Budget Planning and Allocation.**

- a. At the beginning of the academic year, the CFO made a presentation to FAP on the budget for FAP to better understand the budget process, the financial health of the university, and future budget projections. FAP dedicated multiple meetings for this discussion in A-term, providing critical feedback to the administration. FAP received periodic updates on the budget from the CFO throughout the academic year and provided additional feedback. This information was distributed in detail to the faculty through the approved minutes.
- b. Through the academic year, FAP explored with the CFO a number of critical aspects of the budget, both on the revenue side and expenditure side, including
  - i. the dependence of the budget on tuition revenue and how the higher-than-expected discount rate (compared to projections) negatively impacted revenue,
  - ii. the “demographic cliff” expected to impact higher education,
  - iii. the status of university debt and “buy-back” efforts to reduce this debt,
  - iv. efforts to increase graduate enrollment to increase revenue,
  - v. lower than expected students in university housing and the impact on revenue, and
  - vi. the impact of inflation on university expenditures.
- c. In C-term, the Associate Vice President for Academic Affairs provided an overview of the budget planning process, which FAP conveyed to the faculty through the approved minutes. Key aspects covered included capital requests, new faculty, salary pool and raises, and general operating budgets. FAP advocated for greater transparency in the process for determining salary increases and also recommended greater faculty input during the budget planning process, which FAP felt has been less since Covid-19.

- G. Other FAP activities.** In addition to the activities prioritized above, FAP was involved in a number of other activities during the 23-24 academic year, including
- a. **Fringe Benefits Committee.** FAP reviewed and provided input on and endorsed a number of motions coming from the Fringe Benefits Committee, including those on Emergency Child and Elder Care, a revised bereavement policy, and restructuring the FBC.
  - b. **Campus Framework Planners.** In A-term, FAP met with the consulting firm (Ayes Saint Gross) leading the Campus Framework Planning process and provided input on the process. FAP strongly advocated for a larger role for faculty (in addition to faculty governance) in the planning process.
  - c. **Administrative Policy Group.** FAP provided input to the APG on various policies established or revised during the last academic year.
  - d. **Financial Status of The Quorum.** The Assistant Vice President and Dean of Students met with FAP to discuss the financial health of The Quorum in Fall Semester. Customer traffic at The Quorum never bounced back after COVID-19. FAP provided input on plans to revamp The Quorum for Spring. Unfortunately, these efforts to revitalize The Quorum were not successful.
  - e. **Provost Search.** A representative from FAP met with the candidate for Provost and provided input to the search committee.