

Annual Report
Committee on Financial and Administrative Policy
Academic Year 2020-21

Approved by FAP, 13 September 2021

The Committee on Financial and Administrative Policy (FAP) met 32 times during the 2020-21 academic year. Because of covid, FAP met through the summer months of 2020.

The issues addressed by FAP are grouped by category and described below. Numbers in parentheses indicate the meeting numbers at which the topic constituted a significant portion of the meeting, should any reader wish to refer to the minutes for detailed information. Again, because of covid, much of the business that is traditionally done either late in D term or early in A term this year occurred near the start of B term.

Elections and Appointments (#10, 11): In the Fall of 2020, Prof. David Spanagel was elected to FAP by the Faculty to serve a three-year term replacing Prof. Nancy Burnham, and Prof. Michael Radzicki agreed to serve a second year as the COG Appointee. FAP then elected Prof. Joseph Fehribach as Chair, Prof. David Spanagel as Secretary, Prof. Michael Radzicki as Fringe Benefits Committee (FBC) Chair, and Prof. George Pins as Retirement Plan Committee (RPC) representative. Because of covid, these changes took effect at the beginning of B term, 2020.

Vice President and CFO Jeffrey Solomon serves *ex officio*, and Associate Vice President Kristopher Sullivan is the Presidential Appointee. Prof. Jon Abraham agreed to serve for three years as FAP's TRT appointee to the Fringe Benefits Committee (FBC).

Faculty Resolution, May 2020 (#1, 2, 3): FAP discussed the Faculty Resolution which was referred to FAP at the May 2020 Faculty Meeting and drafted a response (see Response attached below).

Covid Budget; Dealing With Covid (#2, 3, 4, 5, 6, 8, 11, 12, 13, 14, 17, 18, 30, 31): Many of our meetings early in 20-21 were dedicated to discussing the covid budget or related issues. It assumed a 10% drop in revenues and included a 30% cut in operating expenses and a 75% cut in travel expenses. This came to a \$33M reduction in total expenses. Across the year, we regularly heard reports on the financial status of WPI, and previewed financial reports to the Board of Trustees. In connection to the budget, we also discussed the work of CERT and the status of covid on campus. The good news is that our discussions trended strongly in a positive direction, from concern and worst-case scenarios in summer 2020 to much more optimism and a significant surplus by spring 2021. Among other things, FAP endorsed both the plan to have WPI spend on/invest in testing to control covid on campus and the plan to reimburse all employees for expenses related to working from home. FAP expressed to the Administration and CERT Faculty concerns regarding the level of consultation between CERT and Faculty Governance on decisions involving academic operations and the burden that hybrid classes placed on the Faculty.

2021-22 Budget and Finance Updates (#18, 19, 20, 22, 25, 26, 29, 30, 31, 32): Starting in January, 2021, FAP began to discuss reports on the development of the 2021-22 budget and progress on recruiting the new first-year class. On 1 February 2021, Associate VP Mary Calarese and Executive VP/CFO Solomon walked FAP through the draft 21-22 budget. The budget included a 2.9% increase in tuition, a merit and equity pool of 3%, and an increase of the retirement match to 9%. Throughout the winter and spring, CFO Solomon gave positive reports that we were on track to recruit an incoming class of the appropriate size.

Setting Priorities (#11, 13): As in previous years, FAP opened a Canvas discussion board for the faculty to submit discussion suggestions for FAP to consider. Because of covid and other business, our review of these suggestions came somewhat later at the start of B term. At the close of the submission period, FAP had received sixteen suggestions. FAP grouped these into several categories: those that are already current policy or had already been achieved; those that are beyond our capacity to achieve; those that are currently being pursued by others at WPI; those that are being referred to FBC; and finally those that FAP itself will consider. This final category includes student health care insurance, faculty buyouts, the 2020 early retirement program, the efficacy of our academic and non-academic programs, the equity of the TA distribution on campus, salary benchmarking, WorkDay concerns and faculty workload models. FAP was able to address most of these suggested issues over the course of the year, and our discussions are summarized here.

Foisie Lawsuit (#3, 32): FAP discussed the status of the lawsuit that was reported in the news in late summer of 2020 and was resolved satisfactorily in the spring of 2021.

Employee Health Care Plan (#4, 5): Following discussions in FBC, FAP reviewed and expressed concerns about the 20% copay for medical expenses exceeding \$10,000. It was clarified that out-of-pocket limit on what a participant would have to pay was still in place.

Student Health Care Plan (#5, 9): FAP and FBC received a number of complaints regarding what was seen as a sudden increase in the health care plan available to students, particularly graduate students. It was felt that this matter was not in the purview of FAP or FBC, but rather could be addressed by the Dean of Graduate Studies and the CFO. Part of the issue is that while WPI had previously covered the costs of health insurance for TAs and RAs, the cost has now risen to the point where complete coverage is not possible. [Late in the year, an agreement was reached whereby WPI will pay the full cost of our health insurance plan for our ETAs and RAs.]

Salary Benchmarking (#6, 9, 10): Concerns were brought to FAP about the salary benchmarking process carried out using CUPA-HR data. After a careful investigation, FAP recommended that (1) the process begin in April rather than January so that data from the previous November (not 14 months old data) can be used, (2) a faculty committee be formed to carry out the process, and (3) TRT and non-TT faculty be included in benchmarking.

On-Line Education (#7): FAP met with Provost Wole Soboyejo, Graduate Dean Terri Comesano and On-Line and Professional Education Director Stacey Chiaramonte to discuss plans for WPI to partner with two firms who have expertise in digital marketing and student recruiting to offer graduate programs, distinctive undergraduate programs and badges for certain skills using Catalog as a front end to Canvas. Offerings should start in the fall of 2021.

Workday (#15, 25): On several occasions, WPI Change Management and Training Manager Veronica Brandstrader and WPI Information Technology CIO Patty Patria attended FAP meetings, primarily to discuss Workday Student, though other Workday issues were also brought up. FAP members were generally impressed by Workday Student, though some of the graphics seemed misleading. On the other hand, FAP continued to express concerns regarding how the Workday financial module is creating inconvenience for its end users, the faculty and administrative users in non-finance cost centers.

Three Study Groups/Academic Portfolio Project (#16, 31): Coming out of WPI Forward, three study groups were formed led by Dean Jean King, Deans Steven Taylor/Debrah Jackson and Dean John McNeill. Dean King and her group are considering faculty activity models; Deans Taylor and Jackson, program performance; Dean McNeill, budget modelling. The Provost indicated FAP would hear more about the work of these groups in the late summer of 2021 and that final implementation is planned for January, 2022.

Update from Talent and Inclusion (#17): VP/CDO Michelle Jones-Johnson and Associate VP Alicia Mills discussed with FAP the strategic plan for Talent and Inclusion, and then responded to a series of questions from FAP. These included how service quality and effectiveness inside TI are measured, and how systems like Workday are affecting the human dimensions of WPI operations. Both Jones-Johnson and Mills said that TI was trying to improve response times and have Talent Partners meet with community members they support.

VP/CDO Jones-Johnson left her position in early in March 2021; for reasons of timing, FAP was not able to schedule a follow-up discussion with her successor, Interim VP Mills. We hope to have a follow-up discussion with her in the future regarding the time shift on faculty evaluations.

Faculty Buyouts (#19): Following a suggestion from a faculty member, FAP discussed whether faculty buyouts are good or bad for WPI. Buyouts typically save WPI some money, but they also deprive us for a time of the services of some of our colleagues. All-and-all, faculty buyouts seem to be a good thing, provided that they are handled carefully so that no department is left understaffed and no students are deprived of course and project opportunities.

Retirement Planning Committee (RPC) (#19, 25, 26, 29): At its December 2020 meeting, RPC discussed the bid solicitation for WPI's retirement auditor. The meeting also reviewed the quarterly performance report and found no major concerns. By the March 2021 meeting, the competitive process for a new investment advisor firm was underway, and RPC had several special meetings between March and June 2021 to discuss both the auditor and the investment

advisor. By late April, 2021, Fiducient Advisors were selected as our new investment advisor and BerryDunn as our new retirement plan auditor.

Financial Impact of Tenuring TRT Faculty (#21): In the winter and spring of 2021, COG and the Faculty as a whole were considering tenuring TRT Faculty; FAP limited its work to reviewing the financial implications of this move. Associate VP Sullivan reported that modelling indicates that there will be only marginal direct financial implications of the move. There are, however, concerns regarding the flexibility constraints of increasing our commitment to long-term employment for a larger share of the Faculty. Still, on the whole, tenuring a portion of our TRT Faculty is supported by the administration because it strengthens the Institution.

TA Distribution (#21): Along with discussing the work of two of the three study groups on TA distribution, FAP also discussed the general need for more TA lines in many growing departments, and the possibility that we should allow at least some TAs to teach courses, something that WPI20 has never done in the past, except in the summer or in certain unusual circumstances.

Proposed Travel Policy (#23): FAP reviewed the proposed travel policy being considered by the Administrative Policies Group (APG) and expressed concerns based on the experience of both faculty and staff with travel management companies, as well as concerns with several other aspects of the proposed policy. It was noted that the proposal policy would make Workday even more oppressive than it already is. Eventually APG tabled the proposal until 2021-22.

Proposed Professional Services Policy (#27): FAP reviewed the proposed travel policy being considered by the APG to require approval for all outside professional services in excess of \$5000 and bidding for such services in excess of \$10,000. In general, FAP was supportive of this policy, and it was eventually approved through APG and President Leshin, and implemented by WPI.

Proposed Catering and Dining Services Policy (#27): FAP reviewed the proposed catering and dining services policy also being considered by the APG. This proposed policy would greatly restrict or even ban catering for regular meetings at WPI, even those held across lunchtime. FAP expressed concerns about this proposal policy, and there were also many public comments opposing the policy. APG withdrew this proposed policy.

Salary Pool Distribution/Faculty Compensation (#24, 26, 28, 29, 30): FAP discussed how the salary pool is distributed across both the faculty and the staff. The discussion included a review of a faculty compensation discussion by FAP in 2016. CFO Solomon and Associate VP Sullivan expressed their understanding that, after equity adjustments were taken out of the pool, the same salary pool increase was then given to each cost center (academic department in the case of faculty) to be then allocated to individual faculty members. FAP discussed several exceptional cases with Interim CDO Mills, then adjusted the wording of a proposed motion to avoid these cases. FAP also considered how WPI handles cases where members of the Faculty or the Staff

are given significant pay raises to match outside offers; the CFO assured FAP matches were not made with funds taken from the regular salary pool. FAP then voted to endorse this general practice. The final wording of the FAP motion was

It is our understanding that when faculty salary increases are accorded to individuals for being promoted at WPI in any given year, those funds are taken out of the total approved salary increase pool for that year. That allocation for promotion raises comes off the top of the total salary pool funds on a division-wide basis. Thereafter, every department/cost center within a division (e.g., Academic Affairs) ordinarily has access to the **same remaining percentage** of salary increase pool funds to allocate as merit and equity increases among their non-promoted employees, regardless of the number of individuals receiving promotion raises from within that same department/cost center. **FAP would like to document and endorse the fairness of this current practice**, and we recommend to the Administration that it continue to be followed unless any proposed changes are discussed with FAP.

Faculty Annual Review Transparency (#26, 28, 30): FAP investigated what had become of the Faculty Annual Review guidelines that FAP had passed on to COG and the Administration just before covid took over in March of 2020. COG replied that it was fine with the guidelines, and the Provost confirmed that he endorsed the guidelines and that they had been passed on to department heads.

Recognition of Service (#32): At our final meeting of the year, FAP expressed its great appreciation to departing CFO Solomon for his 16 years as the *ex officio* member of FAP and more broadly, his 16 years as CFO for WPI.

Fringe Benefit Committee

The Fringe Benefits Committee (FBC) is a subcommittee of FAP chaired by a member of FAP (this year, Michael Radzicki). In 2020-21, FBC

- worked with the Administration to implement a flexible summer hours policy starting in summer, 2021.
- worked with the Administration to grandfather in all current staff to the 24-hour requirement for benefits coverage (instead of the newer 28-hour requirement).
- learned about the MyMedicalShopper tool that WPI employees have access to through their benefits. Talon provided a detailed presentation of the tool and the FBC discussed becoming an advocate for the tool's use.
- held several discussions surrounding the current Collaborative on Academic Careers in Higher Education (COACHE) study, as the FBC will be asked to look at and analyze the final results

when they come in, particularly around employee benefits and policies results, and make recommendations to FAP.

Respectfully submitted,

N. Burnham, Chair, Summer through A term, 2020 (Elected Member);

J. Fehribach, Chair, B term, 2020 through D term, 2021 (Elected Member);

M. Radzicki, Secretary, Summer through A term, 2020;

FBC Chair B term 2020 through D term 2021 (COG Appointee);

D. Spanagel, Secretary, B term, 2020 through D term, 2021 (Elected Member);

G. Pins, RPC Representative, (Elected Member);

J. Solomon, VP-CFO, *ex officio*;

K. Sullivan, AVP, Presidential Appointee.

Response to “...Resolution Concerning the WPI Operating Budget for AY20-21”
from the Committee on Financial and Administrative Policy, approved 10 August 2020

Concerning the document entitled “WPI Faculty Resolution Concerning the WPI Operating Budget for AY 2020-21” that was brought to the floor of the faculty meeting on 21 May 2020, FAP has the following responses to the three concluding points, which are repeated here for the reader’s convenience. FAP responses, approved on 10 August 2020, are *italicized*.

1. The WPI operating budget for FY 2020-21 be formulated by a working group of faculty, administration, and trustees that has a strong faculty voice and includes faculty members selected by the Secretary of the Faculty; and that

On the floor of the faculty meeting, this point was seen to overlap with the Faculty Handbook’s charge to FAP.¹ The Faculty voted to refer the resolution to FAP, and the committee appreciates the trust that the Faculty have placed in FAP. Furthermore, the faculty members of FAP value the relationships they maintain with the administrative members of FAP. This year FAP meetings have been particularly collaborative, communicative, and cordial, even in the face of disagreement.

The University has recognized faculty participation in the budget process as an important aspect of our shared governance model. For several years, the annual planning and budgeting process (APBP) has included faculty representation, including the Chair of FAP and members of COG as invitees to the process. Members of FAP are responsible for asking critical, thoughtful questions about how proposed budget allocations will impact academic operations, and for participating in discussions about these proposals from the perspective of the faculty. A record of the proceedings is shared in the next weekly meeting of FAP and included in the committee minutes which are distributed to the faculty in a timely fashion.

In addition to participation in the APBP process faculty representatives, including the Chair of FAP, are invited to Budget and Finance Committee of the Board of Trustees. It is here where financial issues that impact the university are discussed, and the operating and capital budgets are formally approved. All invitees have advance access to the meeting materials (via BoardBookit). Faculty representatives are encouraged to review the materials, ask questions and solicit feedback on the information presented. Again, the chair of FAP reports back to the committee at its next regular meeting and that report is included in the minutes.

FAP recognizes that the Covid-19 pandemic disrupted the APBP process for FY2021. However, as the response to the uncertain revenue environment unfolded, FAP affirms that the president gave several town hall meetings where she addressed the uncertainty the financial situation, including that an important goal was to consider involuntary layoffs of staff and faculty only as a last resort. The CFO provided more information each week in FAP, as contingency plans and budget reduction scenarios were developed by the senior team and trustees based on levels of forecasted revenue shortfalls. Weekly meetings include budget updates, sharing information, and discussions and suggestions for budget management. Most of the time there is agreement in the direction taken in the development of scenarios related to what actions need to be taken to address potential revenue shortfalls associated with this unprecedented and unpredictable fiscal environment.

¹ WPI Faculty Handbook: "FAP informs the Faculty on administrative and financial matters that affect the Institute. FAP ascertains the interests and views of the Faculty concerning such matters, deliberates with appropriate access to institutional data, and works with the Administration to make recommendations that serve the best interests of the Institute."

The FY2021 budget, as of this writing, has been adjusted and does not include involuntary layoffs or furloughs. FAP has had the opportunity to discuss and explore the implications of the other budget reduction scenarios, members agree that the future is uncertain, and appreciate that FY2021 is an outlier year in terms of planning. FAP's voice, representing the faculty, has been clearly articulated in the minutes of committee. FAP continues to welcome and address feedback and concerns from all members of the faculty formally, through a request for feedback at the beginning of the year, and on an ad hoc basis via messages sent throughout the year.

The faculty and administrative members of FAP are committed to collaboration, frank discussions of sometimes unpleasant topics, and reaching consensus based on trust, honesty, and a commitment to the best interests of all WPI stakeholders.

2. Any necessary cuts to full-time personnel costs (including jobs, salaries, and benefits) in response to the coronavirus crisis be temporary only, and that they not include long-term layoffs or permanent reductions in WPI contributions to health insurance or retirement plans; and that

Given the challenges associated with predicting revenue during a world-wide pandemic, FAP feels that the administration's projection of 10% drop in revenue for AY 2020-21 is reasonable and prudent. The administration set the example of sacrifices that might be necessary by incurring significant salary reductions. Consult FAP minutes #26 for a summary of how \$32 million dollars in reduction has been found for our mission in the coming year.

Historically, every year about 5% of the TTT faculty leave for retirement or other reasons. Here are the numbers for NTT faculty for the last three years.

<i>Academic Year</i>	<i>Reappointed</i>	<i>Non-Renewals*</i>	<i>Retirees/Resigned</i>	<i>Other</i>
<i>2020-21</i>	<i>140</i>	<i>9</i>	<i>14</i>	
<i>2019-20</i>	<i>138</i>	<i>26</i>	<i>3</i>	<i>2 to TT</i>
<i>2018-19</i>	<i>140</i>	<i>21</i>	<i>2</i>	<i>5 to TT</i>

**Many went to part-time adjunct status - not reappointed full-time*

While a long-term looking glass does not exist, FAP reassures the Faculty that it is resolute in representing the views of the Faculty (and by their close association, the views of staff) to the administration, in the best interests of the Institute. FAP is keenly interested in: 1) the number of contact hours expected of faculty during AY 2020-21, 2) the benchmarking and strengthening of WPI's salary pool and benefits package, 3) maintaining faculty representation in APBP, on WPI Forward or its equivalent and in meetings of the Board of Trustees, and 4) continued involvement in budget processes for AY 20-21, its revisions, and beyond.

3. This budget be developed in 6-month increments and be revisited, adjusted as needed, and reported to the faculty at least at those intervals until the end of the fiscal crisis brought on by the coronavirus pandemic.

During this time of crisis, FAP intends to meet biweekly over the summer to provide greater interaction with the administration. It will resume its weekly meetings in A Term. CFO Solomon regularly asks the Chair in advance of meetings if new information from the administration may be included on the agenda. We expect this courtesy to continue. Similarly, FAP asks for consideration via prior consultation on

policy-related topics brought to the faculty floor, should the topics fall within FAP's purview. That said, FAP acknowledges and respects the sentiment motivating the 21 May resolution in this period of extraordinary Covid-generated uncertainty, and FAP affirms the right of individual faculty members to bring resolutions expressing sentiment to faculty meetings, in addition to welcoming comments and concerns from all faculty members through direct contact with the committee at any time.