

Annual Report
Committee on Financial and Administrative Policy
Academic Year 2019-20
Submitted 24 July 2020

The Committee on Financial and Administrative Policy (FAP) met 28 times during the 2019-20 academic year. Because of the importance of the “Covid Budget” (*vide infra*), FAP met into 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.

Elections and Appointments (#1, 2): In the Spring of 2019, Prof. Joseph Fehribach was elected to FAP by the Faculty to serve a three-year term, and Prof. Michael Radzicki agreed to serve as the COG Appointee. At the beginning of AY 2019-20, FAP elected Prof. Nancy Burnham as Chair, Prof. Michael Radzicki as Secretary, Prof. Joseph Fehribach as Fringe Benefits Committee (FBC) Chair, and Prof. George Pins as Retirement Plan Committee (RPC) representative. Given the difficulty of holding elections when faculty were all off campus in D Term, the membership will stay the same into A Term of AY 2020-21. FAP decided that its faculty retain their respective roles until the end of A Term.

Executive Vice President and CFO Jeffrey Solomon serves *ex officio*, and Associate Vice President for Academic Affairs Kristopher Sullivan is the Presidential Appointee. Prof. Dirk Albrecht agreed to serve on the FBC as the FAP Appointee. Prof. Radzicki volunteered to become a member of the WPI Forward Steering Committee, and Prof. Burnham became a member of the Administrative Policy Group, *ex officio*.

Setting of Priorities (#1, 2, 3): FAP opened a Canvas discussion board for the faculty to submit discussion topics for FAP’s consideration in AY 2019-20. At the close of the submission period (15 September 2019) FAP had received eleven topics. These were taken into consideration, along with those suggested by the committee members and Secretary Dominko during FAP’s first three meetings of the academic year. FAP was able to address most of the suggested issues over the course of the year.

Workday (#4, 5, 6, 15): WPI Change Management and Training Manager Veronica Brandstrader and WPI Information Technology CIO Patti Patria attended FAP meetings #5 and #15. They shared with FAP survey data from the faculty and staff on use and satisfaction with Workday. The survey showed that Workday is being used successfully, but that people do not enjoy using it.

CFO Solomon noted the importance of distinguishing between WPI-specific business processes and Workday issues. For example, the question of whether WPI’s hiring process should be streamlined to require more “notifications” and fewer “approvals” is a business process question, not a Workday issue. He also noted that the administration is interviewing research-active faculty to identify specific Workday issues related to the management of grant money.

Improvements to Workday over this academic year included simplifying the faculty hiring process workflow, adding salary transparency for cost center managers, and behind-the-scenes coding of the Student module. Work on the Student module involves reviewing a large amount of data as they move from Banner to Workday. Some examples of challenges (“blockers”) include student accomplishments (e.g., CDRs), third party access (e.g., parental access to grades), unit/credit labels, and waitlists.

Transparency of Faculty Annual Review (#4, 6, 7, 9, 13, 17): FAP observed that WPI’s tenure process is quite transparent whereas its faculty evaluation and salary determination process is not. FAP worked this year to make the annual faculty review process more transparent. For example, Chair Burnham noted that at the September Department Head’s meeting she found out that no WPI department had any written documentation to help guide its faculty evaluation process, though some department heads transcribe by hand the entire review meeting. The current background process between submitting annual reports and receiving salary letters was described in a draft document, which was shared at several department head meetings. FAP was encouraged to work with the ADVANCE team to modify the document to describe what future processes might be. The revised document has the support of FAP, the Department Heads, and the Provost and was forwarded to COG on April 15,

The approved document provides a formalized, substantive, and supportive faculty performance process. Department Heads are expected to communicate with their faculty about performance (consistent with the Faculty Handbook) and act as a catalyst for their continued professional growth. Together the Department Head and faculty member should decide on a prioritized list of opportunities that leverage the faculty member’s skills and goals. (It is important that “transparency” not become a buzz word meaning “perfunctory.”) Salary adjustments are strongly influenced by the Department Heads and Deans, while the Provost may make adjustments. The full document is appended to this report.

Faculty Salary Benchmarking (#4, 6, 10, 11, 12): Due to the need to monitor expenses as suggested by the WPI Forward initiative, WPI did not conduct external salary benchmarking for TTTs nor initiate a similar process for NTTs this year. Instead, an internal salary review process was carried out with benchmarking against CUPA-HR (College and University Professional Association for Human Resources) data, using the same pool of peer institutions as the last time benchmarking was done in 2017. Members of FAP met with the Provost and Jennifer Graves and Michelle Jones-Johnson of the Division of Talent and Inclusion on April 30th to review the data and provide input to a slide deck that Ms Graves had prepared. Some revisions were provided some days later in preparation for the faculty meeting on May 21st, at which the slide deck was to have been presented to the faculty. Because of time restrictions, the report was not given. FAP is willing to present the data in the fall.

The major results of the benchmarking are: a) WPI’s median salaries for the three professorial ranks are each 110% of those at the peer institutions, down from 111%, 111%, 116% for Assistant, Associate, and Full levels, respectively, b) for men (70% of the cohort) the median values are 110% and for women (30% of the cohort) 112%, c) by race, the values range from 102% for Unspecified to 116% for Black or African-American.

Graduate Student Housing (#8): Assistant Dean and Director of Residential Services Casey Wall provided FAP with a handout summarizing housing data for WPI. Of note is that WPI currently houses 63% of its undergraduate population and 13% of its full-time graduate student population. The discussion then turned to the question of why WPI does not offer housing to graduate student couples, including those with children. WPI's current policy is offer transitional (ten month) housing to first-year graduate students who are new to Worcester. Once these students become familiar with the area, they then take advantage of the general Worcester County housing market. The ten-month time period provides two months of down time during which maintenance can be performed on the buildings.

The question if graduate student housing is part of any future WPI strategy was raised. Members noted that, in addition to M.S. and Ph.D. students, post docs and visiting scholars could utilize properly configured graduate student housing. Dean Wall indicated that WPI is aware of the issue but that any graduate student housing strategy would have to be part of a larger capital plan.

AAUP Community Forum (#17): A brief summary and a subsequent discussion on the February 25th AAUP Community Forum were conducted. The take-a-ways were: a) due to the meeting, the faculty and staff felt a sense of shared community, b) the meeting offered a forum for people to speak freely and this was highly valued, c) comments and suggestions were anonymously recorded and would be forwarded to the WPI Forward Steering Committee, and d) the consensus was that this sort of gathering should happen again, perhaps routinely.

WPI Forward (#6, 14, 16, 18, 20, 23): Last year WPI ran a budget surplus, which was generated by admitting a larger undergraduate class than had originally been planned. However, the larger problem is that WPI's net tuition rate is diverging significantly from that being offered by its peer institutions and WPI's value proposition cannot overcome this relative price difference. According to CFO Solomon's projections, each year WPI is going to need an additional \$10-\$12 million to devote to undergraduate financial aid in order to bring its net tuition rate back to a competitive level. Additionally, in recent years WPI graduate credits for full-pay master's students have been falling while WPI ~~graduate~~ PhD students (including TA-ships) have been rising. The financial gap can be closed via spending cuts, new revenue sources, or a combination of the two. Indeed, analyzing this problem and making recommendations is the mandate of the WPI Forward working group. The goal to which the Committee is working is to provide recommendations to President Leshin that will ensure a WPI education will remain affordable to families.

Many of the discussions around WPI Forward involved the following themes: a) The need for transparency for the entire campus community during the WPI Forward process. b) The need for FAP to be regularly updated on the WPI Forward process. c) The need for the Fringe Benefits Committee to be regularly updated on the WPI Forward process. d) The need for the entire campus community to be updated on the final details of next year's budget in a timely fashion. e) The need for the Administration to clarify why drastic action needs to be taken during the current budget cycle rather than gradually. f) The need for the Administration to assure the campus community that this will not be a recurring problem and that the remedies recommended by the Steering Committee will not need to be revisited in the future. In other words, the need for

everyone to work together to redesign the WPI system so that it is more robust and better able to withstand shocks from the evolving higher educational landscape.

Although the administration traditionally presents its budget to the Trustees in February, this year process was stretched out in order to give the Steering Committee (and its subcommittees) more time to thoroughly investigate the various cost-saving areas that have been identified. The administration was aware of the anxiety surrounding the WPI Forward and heard the community’s concern that the first proposed extended timeline would not give the community adequate time to examine and respond to the budget, as the academic year would end before the budget process completes. As such, the administration agreed to compress the timeline a bit to ensure there was enough time for analysis and commentary.

On May 4, the WPI Forward Steering Committee convened for a day-long “Trade-Off” session to discuss the merits and challenges associated with each project team’s recommendations. The CFO noted that the President will have the final word on the budget and it will be presented to the Trustees at the May BoT meeting. It was noted that this budget will be a “Covid-19” budget and not a WPI Forward sustainable budget, although some WPI Forward savings targets will be incorporated; see below.

Covid Budget (#18-28): FAP held numerous discussions throughout the spring and summer on the implications of Covid-19 as it pertained to WPI’s budget. Because of the outbreak, students were asked not to return from spring break, D-Term project students and advisors were not allowed to travel, faculty were asked to move all activities online, only essential personnel were allowed on campus, and an interim purchasing policy was introduced. All travel was canceled, and expenditures were limited to only those considered essential. Yet faculty and staff were promised job stability until the end of the academic year on June 30.

In order to proactively anticipate revenue shortfall in AY 2020-21, early retirement for faculty and staff was offered, with one-year of salary provided as an incentive. The candidates had to be 59.5 years or older and employed at WPI for at least ten years. Of the approximately 1200 employees at WPI, 178 people were eligible, and 45 staff and 12 faculty took the plan. Voluntary furloughs for up to one month in the summer were offered to staff. At this writing, 30 employees are participating in this program.

For historical perspective, the annual percentage decrease of TTT faculty due to retirements and other reasons is ~5%. For NTTs, the recent numbers are presented in this table.

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

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

Summer (Terms E1, E2) courses were also offered online. Overall summer enrollments were nearly double those normally, probably because summer options for students were severely curtailed and WPI offered additional tuition discounts. Summer camps, however, were canceled.

As of the writing of this annual report in July 2020, there is some good news and a large amount of uncertainty in planning for the fall. The number of deposits from incoming students hit an all-time high, with over 1400 deposits received on May 1. Melt is occurring at the approximately 10% level, consistent with planning assumptions. However, tuition invoices were sent out on July 13, and the bills are due by mid-August. Since WPI is highly tuition-dependent, if a large number of students decide not to attend, the AY 2020-21 budget could be severely compromised.

WPI is actively working towards on-campus instruction in the fall, as long as it can be done safely. For the purposes of providing divisions with budget numbers by July 1, a ten-percent revenue shortfall has been assumed.

The “Covid Budget” assumes a 10% (\$25 M) revenue reduction and a total shortfall of \$32M (including the previously projected \$8 M shortfall for WPI Forward). In ensuing discussion, it was mentioned that there would be a special pool for student financial support, and additional extra expense pool of \$6 M for COVID related costs such as testing and added cleaning and a \$0 bottom line with no contingency (typically there is a \$1M surplus target and a \$3M contingency in the budget). Because of its stop-gap nature, this budget will be subject to a monthly review; depending on realities, actual expenditures might be revised up or down. All of this is Covid-driven; reductions simply coming from WPI Forward would have been much less severe.

How was the \$32 M reduction achieved? Roughly \$20 M in compensation and benefit decreases, and \$12 M in non-salary reductions. The latter was reached by a one-third reduction in most operating budget categories and a 75 % reduction in travel expenses. The compensation and benefit reductions were achieved through early retirements, the zero salary-increase pool, 403b reductions, elimination of overtime/temporary employment, reductions to health benefit costs, the hiring freeze, elimination of senior officer positions, and executive compensation reductions.

Administrative Policy Group (#19, 21): FAP discussed WPI’s new “policy on policies” (i.e. the Process for Creating and Revising Institutional Administrative Policies) and the role faculty governance should play in this aspect of WPI’s policy formation process. CFO Solomon noted that the Board of Trustees asked the administration to devise a procedure for creating administrative policies to address such areas as risk mitigation. The administration’s position is that the process of administrative policy formation should be kept separate from the process of academic policy formation, albeit with the acknowledgment that some elements of WPI’s shared governance process should be preserved.

The Academic Policy Group’s (APG) documents empower the Provost to decide what is an academic policy and what is an administrative policy. While the faculty on FAP are generally comfortable with judgements of the current administration, there is significant concern about how these policies may be viewed by future Provosts. The administration feels it has made some concessions to the faculty regarding the APG, and the Trustees urged the administration to get the

APG in place by May. The CFO acknowledged that the administration recognizes that there are ongoing issues and they will continue to solicit faculty input.

The faculty representatives on the APG spoke up at the meetings to advocate for the (mostly faculty) points of view submitted as comments on the four proposals that were posted for comment this spring. With active negotiation, most of the concerns were addressed. Chair Burnham suggested that more efficient operation could be achieved if discrepancies in approach would be addressed in the relevant faculty committees before appearing in draft form at the APG.

Operational Matters: During meetings in the spring, FAP began discussing agenda items for AY 20-21; a Canvas discussion board will be opened in August for faculty input.

FAP prepared a slide deck for the 21 May 2020 faculty meeting. The topics to be discussed were the “Covid Budget,” the transparency of the faculty review process, and faculty salary benchmarking. Due to time constraints, only the budgetary update was presented by the Chair. FAP is willing to present the other topics during AY 2020-21.

In May and June, FAP provided input to the administration regarding Covid-reopening plans.

In June, FAP started discussing the resolution concerning the WPI operating budget that was referred to FAP at the 21 May 2020 faculty meeting.

FAP does not usually meet over the summer. Yet because of the urgency of Covid-related issues, FAP agreed to schedule biweekly meetings from June 1 through August.

Retirement Plan Committee (RPC): The Retirement Plan Committee met regularly during the year to review the quarterly performance of each of the funds within the retirement plan. Plan fees were reviewed and benchmarked. No concerns were raised with the processes that WPI uses to oversee its retirement plans. At the March Zoom Meeting, the RPC approved a Committee Charter, outlining the membership, mission and role of the RPC. The Committee also completed a fiduciary training session, approved the CARES Act provision allowing distributions from retirement plans and it completed its quarterly investment due diligence review. In June, the investment oversight consultants, the Cammark Retirement Group, also informed the WPI team that WPI has retained one of the healthiest retirement benefits matching plans relative to the numerous private institutions that they consult for during the COVID crisis.

Fringe Benefits Committee: FBC’s summary of AY 2019-20 activities is appended.

Respectfully submitted,

N. Burnham, Chair (Elected Member);
M. Radzicki, Secretary (COG Appointee);
J. Fehribach, FBC Chair, (Elected Member);
G. Pins, RPC Representative, (Elected Member);
J. Solomon, VP-CFO, *ex officio*;
K. Sullivan, AVP, Presidential Appointee.

OVERVIEW OF THE FACULTY PERFORMANCE MANAGEMENT PROCESS

Originated and approved by FAP, March 2, 2020

Supported by Department Heads, April 15, 2020

Forwarded to COG, April 15, 2020

Providing a formalized, substantive, and supportive faculty performance management process is recognized as a critical component for the success of the institution by the WPI faculty and administration. This document has been created by the Committee on Financial and Administrative Policy in collaboration with the provost, deans, and department heads to recommend guidelines for a formalized faculty performance management process.

The faculty performance management process begins with the announcement of the process and an accompanying memo outlining the milestones and deliverables. Once announced, faculty members may begin recording their annual accomplishments on the Faculty Annual Report instrument which is made available shortly before the end of the calendar year. Faculty members are encouraged to complete the questionnaire by the required deadline as defined by the provost (typically January 31).

Department Heads (and program managers in the case of some NTT faculty) initiate the review of faculty. The diversity of WPI's academic departments demands a flexible approach to faculty review. Department Heads are recognized by the institution as the experts in their field of study and how the faculty members in their department deploy instruction to students, participate in scholarship and research, and provide service, in line with the strategic initiatives of the department, school, and university. Both quantitative and qualitative aspects are evaluated. Department Heads are expected to communicate with their faculty about faculty members' performance and act as a catalyst for their continued professional growth by the deadline established by the Provost. Deans are expected to hold Department Heads accountable for completing these discussions annually.

Specifically, faculty members' performance is to be evaluated consistently with activities defined in the Faculty Handbook including, but not limited to, high quality teaching and scholarship and a commitment to valued service. Other aspects may include the scholarship of discovery; integration application and practice; teaching and learning; and engagement with the scholarly community. It is understood that the interests and strengths and weaknesses of faculty members may vary, however it is important for the Department Head and faculty member to have clear, understood, and documented evaluation criteria. The discussion between the Department Head and faculty member should address the important contributions of the faculty member to the department and WPI, as well as the faculty member's aspirations. Together the Department Head and faculty member should decide on a prioritized list of opportunities that leverage the faculty member's skills and goals, for the benefit of all.

From a financial standpoint, this review informs a salary adjustment recommendation by the Department Head, for each faculty member. Department Heads are encouraged, in total, to keep their salary adjustments within the established salary pool. For Academic Affairs, faculty promotions have carried with them a standardized increase in salary, and this amount has traditionally been taken off the top of the total pool for the division.

Each department's (and program's where appropriate) recommendations are sent to the dean of their school via Workday, for the dean's review. The dean communicates with the department head to verify the head's recommendations, to clarify any discrepancies, or to provide other input. If these discussions result in changes to the recommended salary adjustment, those changes are made in the system. The dean then submits his or her recommendations to the Provost, who uses a similar process to that of the dean/department head communication.

The Provost reviews all of the recommended salary adjustments proposed by the deans of the schools to ensure that the proposed increments are consistent with the overall objectives in rewarding service, teaching, research, the scholarship of teaching and learning, and innovations in teaching and learning. Also, where appropriate, adjustments in compensation may be recommended to address issues of inequity in pay that are identified by Human Resources or Academic Affairs. In such cases, the adjustments will typically be informed by benchmarking studies that are used to support the determination of salary adjustments that provide equity for academic staff with differing levels of performance, academic experience, and rank.

In all cases, salary adjustments are strongly influenced by the recommendation of the Department Heads and Deans while the Provost may choose to make adjustments that are informed by analysis from Human Resources, Institutional Research, Finance, and Academic Affairs.

Ultimately the Provost has final authority over salary adjustments for individual faculty members and is responsible for assuring that performance is rewarded appropriately through salary adjustments, while keeping the overall adjustments within the constraints of the salary pool for the division.

Fringe Benefits Committee Summary AY 19/20

The Fringe Benefits Committee met eight times between September 2019 and April 2020.

Members: Joseph Fehribach (chair), Dirk Albrecht, Jaime Dillon, Daniel DiMassa, Ruth McKeogh, Julia Quinn-Szcesuil, Nima Rahbar, Mark Santiago, Wendy Walsh, Sarah Wodin-Schwartz, Sharon Wulf

Talent & Inclusion representative Eric Chojnowski will no longer be attending. Instead Will Darling and Jennifer Graves will be the T&I representatives for FBC

General discussion points included

- Lack of chiropractic soft tissue care coverage under Tufts Health
- Recent merger of Tufts Health Plan and Harvard Pilgrim Health Plan and potential impact on WPI via the EdHealth consortium
- New state law around FMLA and how that will impact WPI
- WPI is approaching the end of the dental contract with Altus
- New benefits policy change that employees must work 28 hours weekly to be eligible for healthcare benefits and the concerns about employees who were impacted
- Concerns about reasonable time off requests for medical appointments. FBC recommends further definition of sick visit, well visit, treatment visit, etc.
- Updates on the more flexible summer hours policy FBC submitted in early 2019 were requested. At the end of April 2020 the policy is under consideration by Talent & Inclusion, but consideration seems to have slowed due to the covid-19 pandemic.
- Reported concerns from employees about unexpected healthcare payments and paying more for same services
- The discovery that the WPI policy of allowing nondependents to be covered on employee healthcare plans was not in compliance with regulations; the impact of removing these nondependents on employees was also discussed.
- WPI Forward's potential impact on 403(b) and healthcare brought discussion around
 - potential impact on employees, morale, hiring, and retention
 - potential impact on the university
 - spending reduction goals
 - relevant use of benchmarks
 - possible changes to summer salary pay
 - feedback process
 - included two meetings with WPI Forward representatives

Submitted by Julia Quinn-Szcesuil for FBC 5/15/20