

AY 2015-16 Committee on Administrative and Financial Policy (FAP)

FAP Meeting # 17 - 11:00 a.m., Thursday, January 28, 2016 Conference Room-  
Financial Services; Boynton Hall 2<sup>nd</sup> FL

In Attendance:

Professor David Spanagel (Chair)

Professor Hossein Hakim (FBC Chair and FAP Faculty Representative on RPC)

Professor Tahar El-Korchi (Secretary)

Jeffrey Solomon Executive Vice President/CFO

Kristopher Sullivan; Assistant Vice President Academic Affairs

Judi Trainor; Assistant Vice President Budget and Planning (invited guest)

Bruce Bursten; Provost (invited guest)

Orion Stavre; Marketing Analyst (invited guest)

1. Chair Spanagel began the meeting at 11:02 a.m.
2. The minutes for Meetings #16 were discussed and approved.
3. Chair Spanagel introduced Orion Stavre, Marketing Analyst who supports the marketing and communications group. Chair Spanagel had invited Orion Stavre to share with the Committee the current data analysis he is conducting for the marketing group that might be useful to give insight into some questions that FAP has been looking into with regards to the Dean structure and cost/benefit analysis and the allocation of budget into the various university functions; i.e. instructional, administrative, research, and other categories.

Orion Stavre made a presentation to FAP entitled *Institutional Expense Allocation Benchmarking Analysis*. The presentation was based on a study he conducted using the Integrated Postsecondary Education Data System (IPEDS) data.

IPEDS data is a system of interrelated surveys conducted annually by the U.S. Department's National Center for Education Statistics (NCES: <https://nces.ed.gov/>). Every college, university, and technical and vocational institution that participates in the federal student financial aid programs is required to report data on enrollments, program completions, graduation rates, faculty and staff, finances, institutional prices, and student financial aid.

The purpose of this study was to assess how WPI allocates its budget to the various functional areas of the institution such as instruction and other operational categories such as administrative and institutional support. It also compares WPI to other AITU institutions.

Every school that receives federal funding must submit data to IPEDS which is managed by the Department of Education.

For reference, the AITU institutions include:  
California Institute of Technology

Carnegie Mellon University  
Case Western Reserve University  
Clarkson University  
Cooper Union for the Advancement of Science and Art  
Drexel University  
Embry-Riddle Aeronautical University-Daytona Beach  
Franklin W Olin College of Engineering  
Harvey Mudd College  
Illinois Institute of Technology  
Keck Graduate Institute  
Kettering University  
Lawrence Technological University  
Massachusetts Institute of Technology  
Milwaukee School of Engineering  
Polytechnic Institute of New York University  
Rensselaer Polytechnic Institute  
Rochester Institute of Technology  
Rose-Hulman Institute of Technology  
Stevens Institute of Technology  
Webb Institute  
Worcester Polytechnic Institute

The study presented showed that for FY 2014, WPI allocated its budget as follows: Instruction 45%; Research 10%; Academic Support 10%; Student Services 10%; Institutional Support 13%; Auxiliary enterprises 12% (Definitions can be found at <https://nces.ed.gov/>).

Compared to 21 AITU institutions, the study by Orion Stavre, Marketing Analyst, shows that WPI ranks as 3<sup>rd</sup> out of 21 in the percentage of total expenses as Instruction Expenditures in 2014. For the last 7 years, the study showed that WPI ranked between 8<sup>th</sup> and 3<sup>rd</sup> place, which implies that instructional expenses at WPI as a percent of the total budget, compared with other AITU institutions has been on the rise over the last 7 years. In addition, the study presented that compared to the 21 AITU institutions, WPI ranks tenth in Academic Support Expenditures.

Compared to the 21 AITU institutions, WPI ranks 14<sup>th</sup> in percentage spent on Institutional Support. In addition, WPI's 6 year trend in Instruction Expenditures increased by 4.6%; placing it 3<sup>rd</sup> among the group.

Chair Spanagel inquired about the motivation to conduct such a study. Orion Stavre responded that he works for the Marketing and Communication group and he does market studies for comparative analysis. The purpose was to be able to make substantiated claims about how WPI spends more on academic and instruction areas, among others, compared to some peer institutions.

Provost Bursten shared his perspective that this study should be shared with the WPI community to show that the university does spend a significant amount on instructional services compared to institutional and administrative spending.

Professor Hakim raised the question of whether the IPEDS data which is assigned to these different categories uses a consistent methodology? Orion Stavre stated that there are guidelines of how the data is reported and assigned to the broader categories.

VP Solomon stated that the institutions have a responsibility to follow the provided guidelines and that they are subject to federal auditing requirements. However, this information could be used as a comparison at a higher level of how the peer institutions in the cohort compare to each other.

Professor El-Korchi, added that this information is valuable to look at the big picture, but these data do not have enough granularity to be able to answer the question related to the cost of the 'Dean Thing'. He asked whether we could drill down further with the data that we have internally at WPI.

AVP Kris Sullivan said that the data in the academic affairs division could probably be used to drill down deeper to answer questions about the various academic units.

Provost Bursten stated that the data shows that the administrative cost at WPI is relatively lean (especially as he compares it to other institutions at which he has been) and that he would hope that the conversation would shift from a fiscal one to one that addresses academic vision and planning.

Chair Spanagel agreed that it was FAP's responsibility to convey to the community the correct information about budget allocation, among other things, and to convey to the administration the community's impressions so that the senior leadership can be responsive to their concerns.

Provost Bursten stated that how these data are tagged is possibly on the edges of some of the definitions but they are the result of a set of involuntary well-defined data that provide relevant comparisons.

Professor Hakim, commended the Provost for having these types of discussions with FAP. He said that it is valuable to have statements that are backed up by facts and avoid having rumors in the community that are unsubstantiated. But he also stated that at this time we do not know whether the data presented today could be the basis for the conclusion drawn by this study. Prof Hakim offered to check with the DOE into how the data categories are tagged and assigned through the IPEDS guidelines.

Chair Spanagel summarized the discussion by saying that we are all in agreement and wanted to get to a shared understanding across our community and to

understand how we are using our resources to fulfill our goals and mission. He added that the work that Orion Stavre had done is a good start to get us to a better understanding of the resource allocation discussion. Prof. Hakim indicated that FAP needs to look at WPI budget data and prepare its own report on current budget allocation for various categories of expenditures.

Chair Spanagel and the Committee thanked Orion Stavre for his presentation.

Meeting was adjourned at 12:15 p.m.

Respectfully submitted,  
Tahar El-Korchi, FAP Secretary