

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

FAP Meeting # 19 - 11:00 a.m., Thursday, February 11, 2016 Conference Room-
Financial Services; Boynton Hall 2nd 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)

1. Chair Spanagel began the meeting at 11:05 a.m.
2. Chair Spanagel shared COG's revised language for the new proposed FAP 'charge' and any further responses that need to be made. He reminded the Committee that there will be opportunities at the Faculty meeting when this proposal will be brought up for discussion, and then again the following month when it comes up for a vote, during which time individual FAP members may give voice to their own opinions.

VP Solomon inquired about the composition of the committee and the potential lack of balance with four faculty members and two administrators.

AVP Sullivan expressed his concern over potential skewed voting outcomes. He was also concerned over the potential for work overload for the administration members that will have to compile data and information from the academic and financial divisions for needed studies. He would feel more comfortable with an additional committee member from the administration (for example from HR) that would contribute to the workload.

VP Solomon stated that he was comfortable with the 4-2 makeup since this is an advisory committee and not a policy setting committee. It would provide the committee with opportunity to achieve consensus amongst the members.

Chair Spanagel suggested that the addition of the 6th and 7th proposed members is for having as many different perspectives to enrich the discussions. He added that inviting Judi Trainor, AVP Budget and Planning, to the Committee meetings this year has accomplished this aspect of diversity of perspectives. Professor Hakim recommended that we should form subcommittees to conduct studies on issues of importance to FAP. This will reduce the load on FAP members to do all the work by themselves.

Professor El-Korchi inquired about the process that COG will use to appoint the

fourth faculty member. VP Solomon inquired about the term of appointment and if there was an option for renewal.

Chair Spanagel added that COG should consult with FAP to determine the best suitable candidate. Chair Spanagel stated that FAP can always exercise the option of inviting specific SMEs to assist with a specific task.

The Committee discussed changing the name of FAP to reflect the new 'Charge'. The committee proposed the following name: Committee on Financial and Administrative Matters (CFAM)

3. VP Solomon informed the Committee that his office was conducting a study on the WPI endowment as compared to peer institutions with similar endowment sizes in the (250-750 Million dollar range) and placing in the top quartile of performance over an extended period of time. Among the 14 schools identified, six schools were selected and an in-depth study to understand their portfolio management strategies will be conducted including interviews with their endowment managers. VP Solomon briefed the Committee on some of the best practices, management strategies and level of risk they are learning about in peer group study. He offered to provide the Committee with additional information after the Trustees Investment Committee has met in February.

4. Chair Spanagel initiated the discussion on how best to utilize the IPEDS data and other WPI financial and administrative data to show to the community the cost of this newly created academic administrative structure involving Deans of "Schools" was first conceived and implemented, what have been the year by year expenditures of funds from the WPI operating budget to pay for having these 3 Deans (including the hiring of other dedicated staff positions and the refurbishing of spaces to accommodate them)? What budgetary impacts can we reasonably attribute to the creation of this new layer of administrative leadership, and how can we best understand where the financial resources came from to afford them? If it is the case that the overall percentage of administrative expenses at WPI did not grow absolutely as quickly as this new set of costs would have required, what other areas of administrative cost were reallocated to support the new structure?

Prof. Hakim stated that his estimate is that WPI has spent at least 15 million dollars to support the dean structure. The community deserves to hear a simple articulation of how this investment has produced positive results and outcomes and that the return was worthy of the investment.

AVP Sullivan stated that it is possible to provide the information and cost data associated with the dean structure, but we cannot answer the question about the indirect value of what the outcome would have been if we did not have deans.

VP Solomon stated that the dean structure should be looked at as part of the institutional commitment to grow certain administrative sectors such as the office of Advancement to support the capital campaign, the office of marketing and communications, the office of institutional research... there are a number of strategic commitments that the institution has made in the last ten years, and he doesn't see how we should be picking on the 'dean thing' without looking at the big picture.

Chair Spanagel responded that we have made a promise to the community to provide them with this information. And the Provost stated in the Faculty meeting of October 2015 that this information should be shared with the community. Chair Spanagel added that without correct and reliable information, people will spread unsubstantiated rumors that are unproductive and could erode morale.

AVP Sullivan stated that we have a new strategic plan with a number of initiatives, and recommended that we focus on some of these important issues such as the cost of start-up packages and to steer the discussion forward as opposed to looking backwards.

Professor El-Korchi and Chair Spanagel added that we have to address both issues to address the wide range of community thinking about these topics.

Meeting was adjourned at 12:15 p.m.

Respectfully submitted,
Tahar El-Korchi, FAP Secretary