

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL•LAW•ONLINE**

**MINUTES OF THE MEETING OF THE
COMMITTEE ON ADMINISTRATION AND FINANCE**

Wednesday, May 31, 2023; 9:00 a.m.

Remote Meeting

**Pursuant to the Governor's Order Suspending Certain Provisions of the
Open Meeting Law, G.L. c.30A, 20 dated March 12, 2020, and subsequently updated
and extended by the Governor and their staff**

Committee Members Present: Chair O'Brien; Vice Chair Scheibel; Trustees Berry, Brunelle, Colella, Dooley (departed at 9:35 a.m.), Epstein, Lam (departed at 10:29 a.m.), Lechowicz and Wu; Mr. Moreau (representing Trustee Tutwiler)

Other Trustees Present: Trustees Burns, Kelleher, Paris Jeffries and Ramos Gagliardi

Committee Members Absent: Trustees Tolman, Tutwiler and White

University Administration: President Meehan; Senior Vice President Calise; General Counsel Leone; Chancellors Subbaswamy, Fuller, Chen and Collins; Vice Chancellors Mangels, Kirleis, Doyle (CFO), O'Riordan and Lindstedt

Faculty Representatives: Professor Hoagland, UMass Amherst

Documents Used:

- Meeting Minutes, April 5, 2023
- Establishment of Endowed Professorships and Chairs, UMass Amherst, Chan Medical School, Doc. T23-033
- Quarterly Capital Project Update and Amendments to the University's Capital Plan, Doc. T21-048, as amended
- Approval of Mandatory Student Charges – Changes to Student Activity Fee, UMass Amherst, Doc. T23-034
- Approval of the University's FY24 Operating Budget, Doc. T23-023
- Authorization to Allocate the FY24 State Appropriation, Doc T23-024
- Campus Affirmative Action Reports, Doc. T23-025
- FY24 Tuition & Fee Schedules, Doc. T23-026
- UMass Dartmouth Enrollment Pilot, Doc. T23-035

Chair O'Brien convened the meeting at 9:05 a.m. and reminded the Committee that the Governor of Massachusetts issued an executive order on March 12, 2020, which had been extended until March 31, 2025.

Under the Emergency Order, all members of the Board may participate by remote virtual means, without affording public access to the physical meeting locations, as long as they engage with

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adequate and alternative means of access available. Any member of the public wishing to address the Committee regarding an agenda item or issue related to the agenda, or to make an audio or video recording of the open public session of the Committee meeting, was provided notice by the Secretary of the Board through a posting indicating that such written requests needed to be received no later than 24 hours prior to the meeting.

He reminded the Committee members to unmute themselves and state their name when moving or seconding the action items.

Consideration of Minutes of the Prior Meeting of the Committee

Chair O'Brien stated that the Committee was provided with the draft minutes of the April 5, 2023 meeting and asked for comments or corrections. With none, the minutes were approved.

Chair's Report

Chair O'Brien acknowledged and thanked the Student Trustees that served on the Committee for their service. He wished Adam Lechowicz from Amherst, Maxwell White from Dartmouth, Mina Lam from Lowell and Bethany Berry from the Chan Medical School well in their future endeavors. Michael Dooley from Boston will continue to serve on the Committee. He noted that Senior Vice President Calise and her team would present the FY24 budget. He spoke to the challenges although the budget reflects a positive operating margin and is on track to achieve a 2% margin by FY25, and reflects a third consecutive year of enrollment decline.

President's Report

President Meehan commented on the strong headwinds higher education institutions are facing (downward pressure on enrollment, historically high inflation, and extraordinary increases in certain expense drivers), and spoke to the University's efforts to address it, including savings of more than \$100 million through procurement strategies and instituting new retention and recruitment initiatives.

He reported that the Committee will hear about the financial accountability framework and use of data to make informed decisions and stated that the University will continue to be fully transparent with the Board, the Commonwealth, and the public about the realities it faces and the solutions it develops. He also commented on the ongoing state budget process, and the finalizing of commencement season at UMass.

Senior Vice President's Report

Senior Vice President Calise reviewed the A&F Committee meeting calendar. She provided an update on the FY23 Q3 projections (expected to end with a 3.2% positive operating margin), the impact of the FY23 Federal and State stimulus funds, the FY23 Q3 projections for UMass Global (\$29M loss reflected, with a 2.4% positive operating margin expected). She discussed the Financial Accountability Framework noting that efforts to implement strategies and strengthen how it is used will continue. She noted the Accountability Framework's common themes and commented that Christine Packard extensively discussed MATRX, the mitigation assessment tool to reduce risk exposure at the Audit Committee meeting held earlier, LeeAnn Pasquini would discuss the UM-Plan tool under the power of data theme, and David Cho would provide an update on UPST.

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Associate Vice President Pasquini provided an overview of the Power of Data UM-Plan Budgeting and Financial Planning Tool, which is the system-wide management tool to strengthen the University's financial planning process. David Cho, the Chief Procurement Officer, highlighted UPST's efficiency and effectiveness efforts noting over \$100 million cost benefits since the launch of UPST and discussed UPST's data foundation and modernizing operations proactive sourcing plans and invoice automation.

Senior Vice President Calise spoke to the recent discussion with Dr. Nathan Grawe on the challenges and headwinds the University faces with the student demographics shifts. She discussed the challenges, observed industry responses, and recommendations which includes focusing on the mission, creating specificity in accountability, and leveraging the UMass system's resources and benefits. She discussed recruitment and retention initiatives to address market challenges. She commented that the University must be agile and conversations with the Advisory Working Group on Financial Planning will continue. She noted the next steps which includes researching best practices of public university systems admissions practices, utilizing SPARC, and continued use of real-time data tracking. Chancellor Fuller discussed the Amherst/Dartmouth Admission Pilot program which allows applicants who are not admitted to UMass Amherst to consider one of the other UMass campuses. Discussion then ensued on the program's marketing language for transfer students, and on Trustee Epstein's suggestion that a 'no sacred cows committee' be established to check for transparency across the University.

Chair O'Brien thanked everyone for their participations. He then announced five action items before the Committee and reminded the Trustees to unmute themselves for the roll call votes and state their name when they move and second a motion.

Action Item #1: Establishment of Endowed Professorships and Chairs, UMass Amherst, UMass Chan Medical School, Doc. T23-033

Chair O'Brien asked for a motion to approve the Establishment of Endowed Professorships and Chairs at UMass Amherst and UMass Chan Medical School. The motion was moved by Vice Chair Scheibel and seconded by Trustee Brunelle.

To recommend that the Board take the following action:

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish the following:

Establishment of the Robert W. Lentilhon Endowed Professorship at the University of Massachusetts Amherst, Isenberg School of Management.

And further,

Establishment of the Harvey A. Shultz Chair in Diabetes at the University of Massachusetts Chan Medical School.

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Chancellor Subbaswamy spoke to the uniqueness of the Lentilhon Endowed Professorship and acknowledged the donors for their generosity. Chancellor Collins provided the background information for the Shultz Chair.

Chair O’Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O’Brien voted for the motion as did Vice Chair Scheibel and Trustees Berry, Brunelle, Colella, Epstein, Lechowicz, Mr. Moreau (representing Trustee Tutwiler) and Wu.

Action Item #2: Approval of Changes to the Capital Projects List (related to the FY2022–FY2026 Capital Plan), (Traditional Project Vote 2), UMass Dartmouth (Central Campus Building Entrance Upgrades), Doc. T21-048, as amended

Chair O’Brien asked for a motion to approve the Quarterly Capital Project Update and Amendments to the University’s Capital Plan. It was moved by Vice Chair Scheibel and seconded by Trustee Wu.

To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, as amended, to authorize the following projects under the **second vote**; the adoption of such vote hereby satisfies the University’s written request that that the University of Massachusetts Building Authority undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended and Board vote T21-048:

Campus	Project Name	Vote 1	Vote 2	Funding Sources				P3
				Local Funding	External Funding	Borrowed Funding	State Funding	
Dartmouth	Central Campus Building Entrance Upgrades	\$4,367,784	\$4,367,784	-	-	1,921,825	2,445,959	-

Director of Budget Planning Skrzek presented the Quarterly Capital Project Update. He discussed the 110 projects (Board and President approved) totaling \$2.0 billion included in the FY2022–26 Capital Plan, reviewed the Funding Sources Dashboard, and provided the background for the UMass Dartmouth project (Central Campus Building Entrance Upgrades) seeking vote 2 approval.

Chair O’Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O’Brien voted for the motion as did Vice Chair Scheibel and Trustees Berry, Brunelle, Colella, Epstein, Lechowicz, Mr. Moreau (representing Trustee Tutwiler) and Wu.

Action Item #3: Approval of Mandatory Student Charges – Changes to Student Activity Fee, UMass Amherst, Doc. T23-034

Chair O’Brien asked for a motion to approve the Mandatory Student Charges – Changes to Student Activity Fee at UMass Amherst. It was moved by Trustee Wu and seconded by Vice Chair Scheibel.

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In accordance with Section 1A of Chapter 75 of the General Laws, and Policy T92-031, Appendix E, as amended to authorize the President to approve changes to the Graduate Student Senate fee at UMass Amherst as outlined below for academic year 2023-24:

	FY2022 Actual	FY2023 Actual	FY2024 Proposed	\$ Change FY23-FY24	% Change FY23-FY24
Graduate Student Senate Fee	\$151.70	\$155.50	\$160.00	\$5	2.9%

Associate Vice President Pasquini spoke the Amherst campus request to increase the Graduate Student Senate fee to \$160, a \$5 or 2.9% increase over FY23.

Chair O'Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien voted for the motion as did Vice Chair Scheibel and Trustees Berry, Brunelle, Colella, Epstein, Lechowicz and Mr. Moreau (representing Trustee Tutwiler) and Wu.

Action Item #4: Approval of the University's FY24 Operating Budget, Doc. T23-023

Chair O'Brien asked for a motion to approve the University's FY24 Operating Budget. It was moved by Vice Chair Scheibel and seconded by Trustee Brunelle.

To recommend that the Board take the following action:

To approve the University's Fiscal Year 2024 Operating Budget and to authorize the President to approve changes, as needed, based on the final General Appropriations Act for Fiscal Year 2024 and any changes made to it during the fiscal year.

Associate Vice President Pasquini and Director of Budget Planning Skrzek provided a high-level overview of the University's Fiscal Year 2024 Operating Budget. Associate Vice President Pasquini discussed the continued commitment to financial accountability and use of real time data to support decision-making, the FY24 enrollment assumptions, the FY24 fall enrollment assumptions, the FY24 fall admissions tracking, and the FY24 fall registration tracking. Budget Director Skrzek discussed the FY24 University budget (\$4.1 billion for the first time), the operating margin (campuses expected to achieve a 2% operating margin by FY25), and the revenue and expenses by source. He provided an overview of the budget assumptions (for enrollment including online, housing occupancy, expenses including salaries and fringe and the fiscal challenges created by extraordinary State wage and benefits increases, and staffing). He discussed the next steps to address the budget challenges, modest tuition increases, staffing levels, financial accountability, and real-time tracking. An update on enrollment and the capital plan will be presented at the September A&F Committee.

Chair O'Brien thanked the A&F team for an excellent presentation. Trustee Epstein stated that tough decisions will have to be made going forward. Trustee Kelleher commented on the use of the University's marketing brand to address enrollment and occupancy challenges.

Chair O'Brien asked for further questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien voted for the motion as did Vice Chair

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Scheibel and Trustees Berry, Brunelle, Colella, Epstein, Mr. Moreau (representing Trustee Tutwiler) and Wu. Trustee Lechowicz voted against the motion.

Action Item #5: Authorization to Allocate the FY24 State Appropriation, Doc. T23-024

Chair O'Brien asked for a motion to approve the Authorization to Allocate the FY24 State Appropriation. The motion was moved by Vice Chair Scheibel and seconded by Trustee Epstein.

To recommend that the Board take the following action:

To direct the President to allocate the amount appropriated for the University of Massachusetts in Line Item 7100-0200 of the General Appropriation Act for Fiscal Year 2024 to the campuses.

Associate Vice President Pasquini discussed the vote required by the Board's Governance Policy to allocate the state's appropriation.

Chair O'Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien voted for the motion as did Vice Chair Scheibel and Trustees Berry, Brunelle, Colella, Epstein, Lechowicz, Mr. Moreau (representing Trustee Tutwiler) and Wu.

Consent Agenda

Chair O'Brien asked for a motion to place Action Items 1-5 on the Consent Agenda for the full Board meeting. The motion was moved by Trustee Epstein and seconded by Vice Chair Scheibel.

Chair O'Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien voted for the motion as did Vice Chair Scheibel and Trustees Berry, Brunelle, Colella, Epstein, Lechowicz, Mr. Moreau (representing Trustee Tutwiler) and Wu.

Information Items: Campus Affirmative Action Reports, Doc. T23-025; FY24 Tuition and Fee Schedules, Doc. T23-026; UMass Dartmouth Enrollment Pilot, Doc. T23-035

Chair O'Brien noted that three reports were posted for the Committee's information. The Campus Affirmative Action Reports, Doc. T23-025, the FY24 Tuition and Fee Schedules, Doc. T23-026, and the UMass Dartmouth Enrollment Pilot, Doc. T23-035.

The meeting adjourned at 10:43 a.m.

Zunilka Barrett
Secretary to the Board