

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES**

Wednesday, March 14, 2007; 8:30 a.m.

**Faculty Conference Room
55 Lake Avenue North
University of Massachusetts
Medical School
Worcester, Massachusetts**

Trustees Present: Chairman Tocco; Vice Chairmen Manning and Sheridan; Trustees Albano, Armstrong, Boyle, Braceras, DiBiaggio, Endich, King-Shaw, Kulenovic, Leiblum, MacAfee, Makrez, McCarthy (via conference call), O'Shea (via conference call), Pearl, Rego Weathers and White

Trustees Absent: Trustees Carlin, Cassel and Lawton

University Administration: President Wilson; General Counsel Bench; Chancellors Lombardi, Collins, MacCormack and MacKenzie; Deputy Chancellor Stanton; Executive Vice President Julian; Senior Vice President Williams; Vice Presidents Chmura, Gray Lenhardt, Motley and Smith

Faculty Representatives: Professor O'Connor, UMASS Amherst; Professor May (alternate); Professor Tirrell, UMASS Boston; Professor Ashrafi, UMASS Boston (alternate); Professor Gibbs, UMASS Dartmouth; Professor Carter, UMASS Lowell; Professor Cooke, UMASS Worcester

Guests: Jeff Napolitano, Graduate Student Senate President; Chancellor-elect Martin Meehan

Chairman Tocco convened the meeting at 8:33 a.m.

The first item on the agenda was **Consideration of Minutes of the Previous Meeting of the Board.**

It was moved, seconded and

VOTED: To approve the minutes of the November 8, 2006 meeting of the Board.

Board of Trustees
March 14, 2007

The next item on the agenda was the **Chairman's Report**. Chairman Tocco first reported that the House One Budget is out and thanked the Governor for his thoughtful consideration of the University. He and President Wilson have been in discussion with the Governor and the Legislature about the budget needs.

Chairman Tocco then reported on the following:

- The Board of Trustees of the University work to advance the University of Massachusetts' mission of affordable excellence and are committed to moving UMass forward to become one of the top public universities in the nation. We have consultants working with us to help with these initiatives, something we will hear more about at our Retreat.

- Today we will vote on a proposal from University leaders and the Committee on Administration and Finance. It is very important to note that the proposed fee increase of 3.4% is below the rate of inflation and below tuition and fee proposals by other private and public universities. The University also meets 90% of student need for financial aid, which is above our regional peer institutions. Financial aid is critically important for making the University affordable to the students who most need it. I hope we can continue to expand financial aid programs to address student debt and middle class students. I also want to thank the student Trustees for sharing information with the committee about the student perspective.

We have several speakers today; they have been asked to keep their comments to a maximum of three minutes.

Trustee Leiblum then asked to be recognized until the scheduled speakers arrive. She announced the formation of a new organization called Public Higher Education Network of Massachusetts (PHENOM). This organization will include staff, faculty, students and alumni and will be involved with the Lobby Day at the State House scheduled for April 25th. Trustee Kulenovic voiced his support for the initiative as well.

Chairman Tocco voiced his enthusiasm for the initiative and appreciation for the organizers' hard work and effort.

Trustee Albano then gave the **Student Trustee Report** that included a presentation on a Student Satisfaction Survey. The survey questions included student's thoughts on:

- Cost of Education
- Quality of Basic Science Teaching
- Quality of Clinical Instruction
- Learning Environment
- School Facilities

Board of Trustees
March 14, 2007

- Hospital Facilities
- Geographical location
- School Reputation

The survey showed a high rate of satisfaction with the education provided to the students by the Medical School. Trustee Albano commended Chancellor Lazare for his leadership. He also stated his belief that we are doing an injustice to the Medical School by allowing only people from Massachusetts to attend the Medical School. Not only would admission of out-of-state students increase the national recognition of the School but it would increase the amount of revenue that we take in from our secondary applications.

Chairman Tocco thanked Trustee Albano for his report and agreed that this is an issue we should look into.

The next item was the **President's Report**. President Wilson thanked Chancellor Lazare and the faculty and staff at the Medical School for hosting today's activities and for their work with basic science research, clinical research, high quality medical training and patient care. Last year the Medical School was ranked 4th by US. News and World Report in primary care among the nation's 125 accredited medical schools.

Other highlights from President Wilson included:

- The University's leadership is focused on affordable excellence; the path to the social and economic development in the Commonwealth goes through the University; data from the University system supports that growth – Freshman applications have increased across the five campuses with a 15% increase this year in applications for the class of 2011 at UMass Amherst. For the first time, sponsored research at UMass surpassed \$400 million in 2006, which is a great achievement. Our endowment has surpassed \$250 million. And, we are meeting 89% of student need for financial aid with current UMass students receiving \$402 million in financial aid, with about \$72 million in aid coming directly from the University.

- To continue our strategic growth, the Board has many items on its agenda today. From two new PhD programs for UMass Dartmouth that I believe will bring value to students, Massachusetts employers and the wider community; to a system-wide CRM policy designed to continue to support the campuses fundraising efforts, to a stem cell and regenerative medicine strategy, to proposals on tenure, student fees and the leadership of our Lowell campus.

- The challenge of maintaining the University's affordability while balancing the budget. It is not easy, and each year we grapple with that challenge as we set student fees for the next academic year. Today, we will vote on a fee increase proposal that was approved by the Committee on Administration and Finance; the proposed fee increase of 3.4% is below

Board of Trustees
March 14, 2007

inflation---the CPI is at 3.6%. This is the 4th year that the proposed fee increase will be at or below the rate of inflation. I made a pledge when I became President that as long as the state's funding stayed level, I would do my best to keep student fee increases at inflation and I am proud to have kept that pledge.

- The University also meets 89% of student need for financial aid, which is above our regional peer institutions. The proposal you are voting on today will add at least \$3,950,000 of university institutional funds to our need based student financial aid funds next year. This number represents approximately 22% of all new mandatory fee revenues across the University and 25% of all new fee revenues at UMass Amherst, where \$2,600,000 of new fee revenues will be dedicated to student financial aid funds.

- On a related subject, in the Governor's proposed budget the direct appropriation for the five-campus UMass system would rise from \$444 million in FY 2007 to \$462 million in the fiscal year that begins July 1. Chairman Tocco and I voiced our appreciation for the \$18 million increase and given the very tight state budget, it is good news. However, the fiscal realities are such that we still are required to seek the student fee increase to support the University's \$2 billion annual operating budget.

- This report reflects the strong leadership and continued growth we all see at the University of Massachusetts. I look forward to working with you to continue on this path of growth and to accelerate that growth in areas of strategic importance to the University. To continue this growth, the University needs a strong leadership team comprised of its senior leadership and this Board. I am confident that we have assembled that strong team, and in fact, I come to you today with a designee for Chancellor of UMass Lowell who is ready to lead that campus to new heights.

- The Chancellor Search process was comprehensive and it involved a search committee of campus, University and community leaders. There were three very strong finalists, all of whom visited UMass Lowell's campus for a public campus and community visit earlier this month. There were many emails, phone calls and letters on the subject which were taken very seriously. One of the candidates distinguished himself and was clearly the best match. In fact, I think more than any other leader of a university campus, he understands that the path to social and economic development of the Commonwealth goes through the University of Massachusetts. I have made my decision and I will present it to you today for approval.

Chairman Tocco offered his thanks to Trustee O'Shea for his work as Chairman of the Search Committee.

The next item on the agenda was the **Report of the Committee on Academic and Student Affairs**. Trustee King-Shaw, Chairman of the Committee reported that the Committee had met on March 1st.

Board of Trustees
March 14, 2007

Before the Approval of the New Programs proposed by the Dartmouth campus, the Committee heard a discussion regarding the program approval policy and process. Chairman Tocco indicated that the discussion was not a reflection of the Dartmouth campus and the programs being brought before the Committee or the work of Senior Vice President Williams and the staff. The purpose of the discussion was to address the need for more financial information and a better understanding of the fit between the mission on each campus and each new program.

The Committee members asked for a template and a more consistent presentation of information for new programs and asked for an opportunity at the Trustee Retreat to receive more information about each campus' mission. Several Trustees had raised questions regarding the timing of the discussion since this had not been an item on the agenda.

Chancellor MacCormack presented information regarding the Dartmouth campus and the specific mission driven need for the Ph.D. Programs in Luso-Afro-Brazilian Studies and Theory and Nursing. It was agreed that the other two proposed undergraduate programs would be discussed at a future meeting.

It was moved, seconded, and

VOTED: To approve the Ph.D. in Luso-Afro-Brazilian Studies and Theory at the University of Massachusetts Dartmouth as contained in Doc. T07-006.

It was moved, seconded, and

VOTED: To approve the Ph.D. in Nursing at the University of Massachusetts Dartmouth as contained in Doc. T07-007.

The next item was the Appointment to Named Professorships, UMASS Amherst, UMASS Boston.

It was moved, seconded, and

VOTED: To concur with the President in the appointment of Dr. Priscilla Clarkson as a Distinguished Professor at the University of Massachusetts Amherst.

And further,

To concur with the President in the appointment of Dr. Andreas Muschinski as the Jerome Paros Professor of Measurement Sciences at the University of Massachusetts Amherst.

**Board of Trustees
March 14, 2007**

And further,

To concur with the President in the appointment of Dr. Judith I. Gill as a Commonwealth Professor at the Graduate College of Education at the University of Massachusetts Boston. (Doc. T07-008)

The next item was a **Resolution on Student Civic Engagement and Advocacy**. Trustees Kulenovic and Leiblum provided some background information on the Resolution including the need to have students more involved in the issues of access and affordability throughout the University and the need to make a strong statement of support for the University by engaging in civic advocacy. Trustee Leiblum strongly stressed the need for participation of all University supporters and constituents in a scheduled lobby day.

Trustee Leiblum asked to be heard; Chairman Tocco first asked for a motion.

It was moved and seconded.

Trustee Leiblum indicated that this motion is to raise broad support among the different constituencies to increase advocacy for more funding for the University. Trustee Leiblum requested that the text of this motion be sent via email to the University community informing people that April 25 has been designated as the date for "Lobby Day".

It was then

VOTED: WHEREAS, the University of Massachusetts is committed to informed civic engagement in a democratic society;

WHEREAS, the Board of Trustees wishes to encourage multiple opportunities for students to participate in and learn from civic engagement and advocacy;

WHEREAS, local, state and national public policies have multiple, direct and significant impacts on University of Massachusetts students;

NOW, THEREFORE, BE IT RESOLVED that the University of Massachusetts Board of Trustees encourages the University system at large to make all suitable allowances for broad-based participation in civic engagement, including but not limited to such activities and events as: a lobby day for public higher education advocacy; an increase in voter-registration drives; an increase in registered-student voter participation; campus-based colloquia and symposia on issues of access and affordability; invitations to legislators to such events; issues papers on the

Board of Trustees
March 14, 2007

access imperative, affordability strategies, effective retention strategies; peer strategies to encourage positive media for student activities; etc., thereby fostering a public higher education policy debate and advocacy by all constituents in the University system, including students, staff, faculty and administrators. (Doc. T07-021)

The Committee's recommendation with regard to **Honorary Degrees, Appointments with and Awards and Transfer of Tenure** will be taken up in Executive Session.

The next item was the **Report of the Committee on Administration and Finance**. Vice Chairman Manning reported that the Committee had met on February 14th and covered a number of important agenda items.

The Chairman of the Committee, Trustee O'Shea, President Wilson and Vice President Lenhardt had emphasized the interest in a strong strategic approach to long term enhancement of the University's financial and program position. Trustee Kulenovic had provided an update on Boston students' efforts to promote sustainable and environmentally conscious initiatives. With the full support of Chancellor Collins a resolution was approved.

The Committee also heard an extensive presentation on the results of the '06 student financial aid activity. The Committee reviewed trend lines and peer institution comparisons which reflected well on our program at the University and discussed extensively the need to keep working on this issue to assure that information, education and more dollars make a university education continually accessible to all eligible students. Increases in Federal and State student aid funds as well as increases in university funds will all be necessary in the future.

Concerns were expressed by Trustees Kulenovic and Leiblum about the overall student charge environment. Following a full review the Committee voted unanimously to support the mandatory fee and tuition rates for FY08. The Committee stressed their continued commitment to low annual increases with increases in institutional financial aid.

The Committee also discussed a new and innovative quasi-endowment policy for the University which will allow the University to increase the University's endowment significantly and provide a rainy day fund with the strong potential for enhanced growth in the University's overall fiscal position.

The Committee approved new capital projects to be managed by the Building Authority at Amherst and heard an update from the Building Authority.

Board of Trustees
March 14, 2007

It was then moved, seconded and

VOTED: Whereas the Board of Trustees of the University of Massachusetts is committed to encouraging responsible efforts to achieve sustainability and to promote environmental consciousness and initiatives; and

Whereas the University of Massachusetts has undertaken significant energy conservation projects; and

Whereas students at the University of Massachusetts Boston have provided leadership in this area; and

Whereas the Board of Trustees supports student initiated non-mandatory fees in the form of positive check-off activity;

Therefore the Board of Trustees hereby endorses the efforts of the Boston campus specifically and any other campus to adopt programs and non-mandatory positive check-off fees to advance environmental efforts. (Doc. T07-019)

The next item was **Academic Year 2007-2008 Student Charges.**

It was moved and seconded.

Trustee Leiblum reported that students are being priced out of a degree at the University. While need-based financial aid has been increased it has not closed the gap of what students can afford. Students are facing a gap of \$2600 after the expected family contribution and after all financial aid money has been taken into account. Even with financial aid, that figure can rise as high as \$5361. While not a voting member of the Board, Trustee Leiblum is against this motion.

Trustee Kulenovic also voiced his opposition to this action stating the increases are too high while acknowledging the University's attempts to increase the levels of financial aid.

Trustee Boyle stated the desire to balance the needs of the students and indicated his intention to vote against the motion. Trustee King-Shaw stated that we are still the most affordable university in the state and suggest we maintain our commitment to affordability.

Chairman Tocco explained the tuition process and indicated that tuition funds go into a general fund with no guarantee of what we get back. We would like to see legislation that would allow tuition and fees to be the same. The Board is working with the Governor and the Legislators to increase financial aid that would eliminate some of these challenges.

Board of Trustees
March 14, 2007

Recently the Chairman, President Wilson and the Chancellors testified before the Higher Education Committee; there were two issues we talked about: the enormous need for capital dollars and a serious increase in student financial aid. We will continue to make those arguments and encourage everyone to do the same.

Trustee Braceras noted her support for the students and intends to vote against the motion.

Chair Tocco recognized Mr. Jeff Napolitano, President of the Graduate Student Senate on the Amherst campus, who addressed the Board and stated that the Trustees continue to approve these increases year after year and questioned the need for a Board. Mr. Napolitano held up a cover of an Alumni Magazine featuring last year's student Trustee Valerie Louis. Valerie is currently un-enrolled as a student at Amherst because her unmet need was not met by financial aid. The fee increases continue to affect the working class and students of color.

Trustee Leiblum stated her understanding of the state's position on funds but asked the Board to send a message to the Legislature by not increasing fees, that they cannot pass on the costs to the students.

Trustee King-Shaw inquired about the effect of not approving the increases. President Wilson responded that financial aid would be affected and there would be the slowing down of the Faculty 250 Program on the Amherst campus and a delay with our Capital Programs.

It was then

VOTED:

1. In accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve tuition at the following maximum rates for the Amherst, Boston, Dartmouth and Lowell campuses for academic year 2007-2008:

<u>Tuition</u>	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (resident)	\$1,714	\$1,714	\$1,417	\$1,454
Undergraduate (non-resident)	\$9,937	\$9,758	\$8,099	\$8,567
Graduate (resident)	\$2,640	\$2,590	\$2,071	\$1,637 *
Graduate (non-resident)	\$9,937	\$9,758	\$8,099	\$6,425 *

*Per 9 credit load

2. And further, in accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following maximum mandatory fee rates for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2007-2008:

Board of Trustees
March 14, 2007

Total Mandatory Fees
(Curriculum & Other
Mandatory Charges)

	<u>Amherst</u>	<u>Boston</u>	<u>Dart.</u>	<u>Lowell</u>	
Undergraduate (resident)	\$8,207	\$7,123	\$7,175	\$7,277	
Undergraduate (non-resident)	\$10,562	\$10,898	\$10,075	\$11,817	
Graduate (resident)	\$7,455	\$7,572	\$7,658	\$6,603	*
Graduate (non-resident)	\$9,241	\$10,911	\$10,075	\$10,037	*

*Per 9 credit load

3. And further, in accordance with Policy T92-031, Appendix E, to authorize the President to approve, no later than April 3, 2007, the individual rates for mandatory charges, providing that total mandatory student charges shall not exceed the total rates as outlined below for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2007-2008:

Total Mandatory Student
Charges

	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>	
Undergraduate (resident)	\$9,921	\$8,837	\$8,592	\$8,731	
Undergraduate (non-resident)	\$20,499	\$20,656	\$18,174	\$20,384	
Graduate (resident)	\$10,095	\$10,162	\$9,729	\$8,240	*
Graduate (non-resident)	\$19,178	\$20,669	\$18,174	\$16,462	*

*Per 9 credit load

4. And further, in accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following tuition and maximum mandatory fee rates for the Worcester campus for academic year 2007-2008:

Board of Trustees
March 14, 2007

<u>Worcester</u>	<u>Tuition</u>	<u>Mandatory Fees</u>	<u>Total Student Charges</u>
Medical School (resident)	\$8,352	\$5,735	\$14,087
Ph.D./MD (resident)	\$2,640	\$20,508	\$23,148
Ph.D./MD Years 1-2 (non-resident)	\$9,856	\$35,508	\$45,364
Ph.D./MD Years 3+ (non-resident)	\$9,856	\$25,652	\$35,508
Graduate School of Nursing (resident)	\$2,640	\$5,735	\$8,375
Graduate School of Nursing (non-resident)	\$9,856	\$5,735	\$15,591
Grad. School of Biomedical Science (resident)	\$2,640	\$3,942	\$6,582
Grad. School of Biomedical Science(non-resident)	\$9,856	\$3,942	\$13,798

5. And further, in accordance with Section 1A of Chapter 75 of the General Laws and T92-031 (Appendix E), to authorize the President to approve, no later than April 3, 2007, final student housing rent and food service charges providing that the average total charge to undergraduate Massachusetts resident students shall not exceed the average rates as outlined below for academic year 2007- 2008:

	Amherst	Boston	Dartmouth	Lowell
<u>Room & Board (average rate)</u>	\$7,478	NA	\$9,163	\$6,978

6. And further, to authorize the President to approve, no later than April 3, 2007, the full schedule of rent and food service charges for all other classifications of students, room options and meal plans for academic year 2007-2008.
7. And further, to authorize the President to approve, no later than April 3, 2007, individual fee rates for other student fees and student fee/revenue based operations charges not already approved by the Board for academic year 2007-2008. (Doc. T07-017)

Trustees Boyle and Braceras voted against the motion.

The next item was **Approval of the Quasi Endowment Policy**. Responding to a question about the advantages of this policy, President Wilson reported the University’s endowment will make these funds available for income return and “rainy day” reserves.

Board of Trustees
March 14, 2007

It was then moved, seconded and

VOTED: The University and each of its campuses shall designate annually unrestricted operational funds as quasi-endowment funds. These funds shall be transferred to the UMass Foundation while remaining designated funds to the campus that generated those funds. The quasi-endowment funds shall be invested consistent with a strategy specific to long term assets by the UMass Foundation subject to an agreement between the University and the UMass Foundation.

All such funds shall be allocated to this purpose at the beginning of each fiscal year and reported annually in the University's annual audited financial statements. Such funds shall be transferred to the University of Massachusetts Foundation and the normal spending rules and accumulation of earnings and appreciation will apply. All funds will be designated to the campus from which they were contributed.

The principle of such funds may be withdrawn from the Foundation and returned to University operating cash when and if the President so authorizes. Such withdrawals will be approved only under extraordinary circumstances that clearly require the use of these funds. The President will notify the Trustees whenever such a withdrawal is approved. (Doc. T07-018)

The next item was **Amendments to the University Capital Fund, UMASS Amherst Projects.**

It was then moved, seconded and

**Board of Trustees
March 14, 2007**

VOTED: To amend the University of Massachusetts Five-Year Capital Plan as contained in document T06-040 by adding the following new projects for the Amherst campus:

	Total Project Cost Est.
Project Name	Jan-07
Academic classroom, office and swing building	\$24,000,000
GRC - Basic systems upgrades	\$10,305,000
Relocation of research labs and academic functions - Stockbridge, Hatch, French, Fernald and South College	\$6,700,000
Campus Center Electrical Service	\$2,700,000
Campus Center Garage - Electric room replacement	\$2,500,000
Total new projects	\$46,205,000

And further,

To approve the following revised project cost estimate for a previously approved capital project:

Project Name	Initial Total Proj. Cost Est.	Revised Total Proj. Cost Est. as of Jan. 2007
DuBois Library - Electrical, plumbing and elevator repairs	\$2,500,000	\$5,000,000
Total increase		\$2,500,000

(Doc. T06-040, Addendum 1)

Chair Tocco then stated that there are many questions facing the University in the next 8-10 months regarding student tuition and fees, the capital plans, increased funding potential, financial aid; this Board will come back and take a look at the status of these issues; we are working hard to find solutions.

The next item was the **Report of the Committee on Athletics.** Vice Chair Sheridan reported that the Committee has been busy meeting with each campus about the state of their athletic programs. Recently the Committee met and discussed the status of the Men's Ice Hockey Team on the Lowell campus. Mr. Skinner, Athletic Director on the Lowell campus had

Board of Trustees
March 14, 2007

made some observations including the need to wait until the end of the season before making any changes.

It was also noted that the Lowell campus needs to work on the Title IX gap; that the Hockey program is losing money; and that there was a need to create a better situation for the athletes including the consideration of alternatives that would make the hockey team more competitive.

In conclusion, the Committee recommended the formation of a Task Force that would include Trustees, members of the Lowell campus and the President's Office. The Task Force will study several issues before coming back to the Athletic Committee with their recommendations with a report back to the Board.

It was then moved, seconded and

VOTED: To establish a Task Force to review the Men's Ice Hockey Program on the Lowell campus and to report back to the Athletics Committee with their findings. (Doc. T07-027)

Members of the Task Force include: Trustee Sheridan as Chairman, Brian Akasian, Brian Andriolo, Jennifer Braceras, Matthew Carlin, Louise Griffin, Heather Makrez, Robert Manning, the UMASS Lowell Chancellor-elect, Keith Motley, Robert Norton and Dana Skinner.

The next item was the **Report of the Audit Committee.** Trustee Boyle reported that the Committee had met on February 14 and heard a briefing on University audit activities, both internal and external; PricewaterhouseCoopers on the annual Federal audit report and the annual Management Letter and discussed and accepted completed contracted reviews and an internal audit report.

The Committee heard a report from Mr. Harrison, Director of Internal Audit, summarizing the audit related activity in process throughout the University's five campuses and central offices. Mr. Harrison briefed the Committee on the status of the current audits under way internally, those reviews contracted with outside firms, and the status of current projects by the Office of the State Auditor and Federal audit agencies. The Committee was updated on subjects from the previous meeting and informed the Committee that two Staff Internal Auditors were hired in November.

Mr. Harrison discussed the quarterly listing of system-wide open activity and also briefed the Committee on four informational reports dealing with employee misuse of credit cards, a US Small Business Administration review, and a published State Audit Office review. He also highlighted projects jointly worked with University Information Systems on the subjects of security vulnerability risks and credit card processing standards as well as the growth in federal agency inquiries and site visits.

Board of Trustees
March 14, 2007

Mr. Paul Hanley and Ms. Melissa Palmer from PricewaterhouseCoopers reported to the Committee on the Annual Management Letter containing comments and recommendations from the FY2006 Financial Statement Audit as well as the status of prior year items. Their recommendations included that cash reconciliations be performed monthly with an independent review outside of Treasury and any variances be followed up and resolved in timely manner.

There was a discussion about the prior year comment on performing formal closing of the University's books and records more than once a year. The Chairman recommended that President Wilson make a decision as to the frequency of formal closure with Chairman Tocco directing that it be at least biannually.

Mr. Hanley reported to the Committee that the OMB A-133 is performed in accordance with Government Auditing Standards and compliance with laws and regulations over federal expenditures. Our 2006 federal expenditures total was approximately \$343 million. He pointed out that the University had seven instances of non-materials, non-compliance, other than the one reportable condition; they noted no material weaknesses in the internal controls and or compliance over the administration of federal programs. For an institution of this size and complexity, the number and type of findings are not unusual.

Mr. Harrison reported on the Amherst campus intercollegiate athletic program and affiliated organizations, and two radio stations, WFCR-FM at Amherst and WUMB-FM at Boston.

He also reported on the internal audit system-wide review on the subject of Emergency Preparedness which reviewed the status of preparedness. Senior Auditor George Jedras provided a briefing of the audit steps and highlights of the recommendations; management provided an action plan to address the review.

Vice President Lenhardt had indicated that a new Risk Management Cabinet has been formed and has discussed disaster recovery as to the data contained on individual desktops and laptops. Chairman Tocco had been present at the Committee meeting and indicated that a live exercise should be planned as it is a key component in emergency preparedness and should involve the General Counsel's office.

It was moved, seconded and

VOTED: To accept the following Audit reports:

1. OMB Circular A-133 Report on Federal Financial Assistance (Doc. T07-013)
2. University's FY2006 Management Letter (Doc. T07-014)

Board of Trustees
March 14, 2007

And further,

3. WFCR-FM & Friends of WFCR, Inc., Financial Report and Board Communication Letter (Doc. T07-001)
4. WUMB-FM Financial Report and Board Communication Letter (Doc. T07-002)
5. Intercollegiate Athletic Programs, UMASS Amherst (Doc. T07-015)
6. Internal Audit Report on Emergency Preparedness (Doc. T07-003)

Trustee Pearl gave the **Report of the Development Committee**. The Committee had met on March 1. Over the past five years, the University's endowment has been steadily growing thanks to the efforts of the development team across the five campuses and the team at the Foundation. The endowment now stands at more than \$250 million with over 1500 donor established endowment funds including more than 50 Chairs.

The financial reporting format has been changed to reporting in best practice format and separate cash collection from fundraising performance. Overall fundraising performance is at 33% of its goal. Chairman Lawton, Vice Chairman Sheridan with Vice Presidents Motley and Smith, Chairman Tocco, President Wilson and the Vice Chancellors have been working to identify opportunities to improve advancement and fundraising at the University. Trustee Lawton, Chairman of the Committee could not be here today but has been working exceptionally hard to support the Committee.

The two action items include a **Name Change and Redefined Scope for the Committee** and the establishment of a **Coordinated Constituent Relationship Management Policy**. This policy will establish a University-wide approach to data management and fundraising.

We expected to have a progress report in June on the Integrated Marketing Project. Also noted, the University's community of alumni, donors, faculty and staff invited to celebrate the UMASS Night at the Pops on May 10 at Symphony Hall. This year, Dr. Craig Mello will receive the President's Medal.

It was then moved, seconded and

VOTED: To approve the following amendments to the By-Laws of the Board of Trustees of the University of Massachusetts:

Article III, COMMITTEES OF THE BOARD is hereby amended as follows:

Section 1. Standing Committees

Board of Trustees
March 14, 2007

By striking Development and replacing it with Committee on University Advancement.

Section 5. Responsibilities of Standing Committees

By striking section (f) and replacing it with:

(f) The Committee on University Advancement shall have the responsibility of considering, reviewing, and making recommendations to the full Board on matters related to any of the University's advancement operations including but not limited to development, marketing, public affairs and public relations, community relations, and alumni and parent relations. The Committee will guide:

- i. fundraising and development policies and initiatives, including but not limited to fundraising goals for campuses and the University; and on fundraising policies concerning the Foundation(s)'s relationship to the University;
- ii. policies on alumni, donor, and prospect records and data;
- iii. marketing and external relations policies. (Doc. T91-100, as amended)

It was then moved, seconded and

VOTED: The President of the University shall see to the development and implementation of guidelines governing a comprehensive constituent relationship management system (CRM) for University alumni, parents and friends, which he may amend from time to time as appropriate or as required by law. If any University policy conflicts with federal or state statute, the applicable statute shall apply.

Such guidelines shall make provision for the design, development, use, and maintenance of the official University CRM database of record for all alumni, parents, friends, and donors. The database may be used only for approved University business. No person or organization shall be allowed to use the University database of record for personal business or financial gain. In cases of dispute about what constitutes an approved activity, the final decision will rest with the President or his designee.

The guidelines issued pursuant to this policy shall also provide appropriate safeguards for the protection of private or confidential information. The

Board of Trustees
March 14, 2007

trustees designate the president or his designee as the coordinator for all major donor prospects.

Compliance with and implementation of the guidelines shall be a responsibility of any University employee using the University's CRM resources. The University will ensure that disaster-recovery plans are in place, including routinely storing a backup copy of the files.

Failure to abide by any of the policies stated within this document may result in denial of access to information contained in the CRM or other sanctions. (Doc. T07-024)

Chairman Tocco expressed his hope that the Trustees would make every effort to attend the Night at the Pops.

Trustee Armstrong then gave the **Report of the Committee on Science, Technology and Research**. The Committee had met on March 1 and focused on three items: an overview of the University's performance in Research and Development by President Wilson, a Report on advancing stem cell research and a Report on enhancing industry relations at the University.

Some of the highlights included:

- President Wilson reviewed the University's 2006 performance in R&D, noting that the University's R&D spending had reached almost \$404 M, with 60% of the R&D in the life sciences and 62% sponsored by the federal government.
- The President highlighted the various strategies the system was pursuing to grow R&D, such as advocacy for state and federal funding, the President's Science & Technology Fund, promotion of inter-campus collaboration, and agency/corporate relationship management.
- He also identified four key areas of potential growth – the life sciences, clean energy, advanced materials and IT/communications.
- Vice President Chmura also informed the committee of the creation of the first-ever system-wide Research Council as a vehicle to promote the R&D agenda of UMASS and strengthen the R&D enterprise on the campuses ... he also announced plans to organize a system-wide working group to develop an R&D strategy for renewable energy.
- Next, the committee heard a report from a system-wide working group that the Trustee S&T Task Force – the predecessor to the new Trustee Committee – had previously called for regarding a system-wide strategy for stem cell research and regenerative medicine.

Board of Trustees
March 14, 2007

•Dr. Robert Finberg, Chairman of Medicine at Worcester, and Dr. George Langford, Dean of Natural Sciences and Mathematics at Amherst, outlined the strategy on behalf of a system-wide working group.

•It was an excellent presentation, demonstrating the potential of the entire system to address this area of opportunity. They recommended a \$66M state investment in a four-part program that would position UMASS as a major player in this area.

•The four elements included: academic program development thru the recruitment of new faculty (at all campuses) ... development of ten shared core facilities at Worcester and Amherst (but available to all campuses and industry) ... a grant program to spur research and collaboration (available to all campuses) ... and a program of facility construction at Worcester and renovation at Amherst.

•Following the presentation and discussion, the Committee adopted a resolution complementing the working group on its work, recommending acceptance of their report, and encouraging the President and Chancellors to take all necessary steps to follow through on their recommendations.

•Lastly, Vice President Chmura reviewed the results of a consultant's study on improving industry relations at UMASS. Like the stem cell report, this study had been commissioned by the predecessor Trustee S&T Task Force last year. The study found that the University had a respectable but not top-tier record in industry relations, as compared to leading-edge institutions benchmarked in the study. It called for action by four key stakeholders: Trustees were urged to adopt a supportive resolution and demand more extensive metrics ... the President's Office was called upon to continue its roles of advocacy, relationship management and promoting cross-campus collaboration, but also to develop new guidelines for business-university relationships and expand service and outreach efforts to the campuses. Campuses were urged to develop campus-specific plans for industry relations. And, the new Research Council was directed to serve as an ongoing forum to promote industry relations at the University.

•Following the presentation and discussion, the Committee adopted a resolution recommending acceptance of the report, re-affirming the importance of university-industry relations and encouraging the President and Chancellors to take all necessary steps to follow thru on its recommendations.

It was then moved, seconded and

VOTED: To accept the following report – “A Strategy for Advancing Stem Cell Research and Regenerative Medicine at the University of Massachusetts” – as prepared by the Stem Cell R&D Working Group at the request of the Trustee Task Force on Science and Technology;

Board of Trustees
March 14, 2007

And further,

To affirm that stem cell research and regenerative medicine are important fields of research with great potential to benefit the Commonwealth, the nation and humanity;

To assert that the University of Massachusetts, as the Commonwealth's public research university, has a critical role to play in these areas;

To endorse the proposed Institute for Stem Cell Research and Regenerative Medicine as a mechanism for expanding the University's research enterprise, enabling campus collaboration, promoting industry partnerships, and supporting economic growth in the Commonwealth;

To commend the members of the Stem Cell R&D Working Group – Dr. Robert Finberg of the Medical School (Chairman), Dr. Sam Black (Amherst), Mr. Robert Jenal (Medical School), Dr. Paul Kostecki (Amherst), Dr. George Langford (Amherst), Dr. Gary Stein (Medical School), and Dr. John Sullivan (Medical School) – for their thoughtful, collaborative and far-sighted report; and

To urge the President and Chancellors to take all necessary actions to follow through on the actions recommended in the report and to use the report to make the case for University's role in this area with the Governor, Legislature and other relevant parties. (Doc. T07-022)

Trustee Braceras abstained from the vote.

It was then moved, seconded and

VOTED: To accept the following report – “A Report on Enhancing Industry Relations at the University of Massachusetts” – as prepared by Act IV Consulting, Inc. at the request of the Trustee Task Force on Science and Technology;

And further,

To affirm that collaborations with industry are one of the characteristics of leading public research universities and those they enhance the research, education and service mission of academic institutions;

Board of Trustees
March 14, 2007

To assert that the University of Massachusetts, as the Commonwealth's public research university, should expand its portfolio of relations with industry in ways that are supportive of the University's mission, consistent with core academic values, and in compliance with all its fiduciary obligations;

To urge the President and Chancellors to take all necessary actions to follow through on the actions recommended in the report for improving university-industry relations at both the system-wide and campus levels, particularly through the development of new performance metrics, guidelines for business relationships, outreach to strategic corporate partners and industry associations, and campus-specific strategies for industry relations; and

To utilize the newly-created University Research Council as an ongoing forum and vehicle for promoting industry collaborations across the system. (Doc. T07-023)

Under **Other Business** Chairman Tocco reported that he had asked the Chairman of the Compensation Committee, Trustee DiBiaggio and its members to begin a discussion and review of the contract for President Wilson. He asked that at this time the Board delegate to the Compensation Committee the authority to draft a new contract with several provisions.

It was then moved and seconded.

Chairman Tocco applauded President Wilson for his commitment to the University. It was then

VOTED: To delegate to the Compensation Committee and the Chairman of the Board the authority to draft a new contract for President Wilson, to include, but not limited to, consideration of the following provisions:
A four year contract (two year extension from existing contract).
Continuing existing annuity provision.
An initial salary adjustment of 2.9% and provisions for merit based future adjustments.
An employee retention incentive provision.
A performance based bonus provision not to exceed 15% of base salary.
Continuing Housing Allowance. (Doc. T07-029)

Trustee Leiblum indicated her wish to obtain a set of criteria that would be used for awarding the Performance Bonus. Chairman Tocco indicated that all Board members would receive said criteria and would welcome input from the Board about the contract and its provisions.

Board of Trustees
March 14, 2007

Trustee DiBiaggio reported that the updates to the contract are very modest and there is nothing in the contract that would embarrass any Trustee.

Chairman Tocco then announced the Board would enter **Executive Session** to consider **Awards of Tenure, UMASS Amherst, UMASS Worcester, Appointments with Tenure, UMASS Amherst, Transfer of Tenure, UMASS Lowell, Honorary Degrees and Collective Bargaining Issues.**

He stated that the Board would reconvene in Open Session. The Secretary was asked to call the Roll.

It was moved, seconded and

VOTED: To enter **Executive Session** to consider **Awards of Tenure, UMASS Amherst, UMASS Worcester, Appointments with Tenure, UMASS Amherst, Transfer of Tenure, UMASS Lowell, Honorary Degrees and Collective Bargaining Issues.**

Chairman Tocco voted for the motion as did Vice Chairmen Manning and Sheridan, Trustees Armstrong, Boyle, Braceras, DiBiaggio, Endich, King-Shaw, MacAfee, Makrez, Pearl, Rego Weathers and White. The time was 10:15 a.m.

At 10:55 a.m. the Board reconvened in Open Session.

President Wilson then spoke to the next item, **Appointment of Chancellor, UMASS Lowell**, and indicated that selecting a new Chancellor is one of the most important things we do. Chancellors are the chief executive officers of our campuses, providing vision and leadership. The task for selecting a new Chancellor employed a process that focuses on the need to listen to the campus and the community.

President Wilson expressed his gratitude to all who served on the Committee and noted the contribution of the Board members who made this additional commitment and contribution to the University beginning with Trustee O'Shea who provided leadership as the Chairman with his search colleagues: Trustees Makrez, McCarthy, Pearl and White.

He then thanked Chancellor MacKenzie for the tremendous service he provided as interim Chancellor and said he looks forward to his full-time return as Executive Director of the UMASS Building Authority. He also praised the contributions of William Hogan who served 25 years as Chancellor of the Lowell campus.

There was then a round of applause.

Board of Trustees
March 14, 2007

President Wilson reported that the Search Committee had recommended three outstanding finalists: Dr. David Change, Dr. Nabil Ibrahim and Congressman Martin Meehan. Each finalist made a strong impression and expressed his gratitude for their participation in the process.

After weighing the qualifications of the candidates, President Wilson announced that he is recommending Martin Meehan be selected the new Chancellor of the University of Massachusetts at Lowell. Congressman Meehan has a proven record of accomplishment and has demonstrated a passion for higher education in general and UMASS Lowell in particular and wholeheartedly and proudly recommends that the Board approve him for this position.

It was moved and seconded.

Trustee O'Shea on conference call commended the Search Committee and the Administration for their hard work. Mr. Meehan is an excellent candidate and has demonstrated his willingness to work with faculty and students.

Trustee McCarthy also on conference call asked to be recorded as supporting Mr. Meehan as Chancellor.

Chairman Tocco thanked President Wilson for the process that was involved with the search and the community of the Lowell campus that showed enthusiasm for the candidate. Mr. Meehan is the right candidate for this position and will make a difference at the Lowell campus and the University.

Trustee Makrez, student Trustee from the Lowell campus and member of the Search Committee reported the students excitement for Mr. Meehan.

It was then

VOTED: Upon recommendation of the President, to appoint Martin T. Meehan as Chancellor of the University of Massachusetts Lowell at a salary with terms to be determined by the President in consultation with the individual members of the Compensation Committee.

And further,

To commend and thank the Chairman and members of the Chancellor's Search Committee for their time, effort and commitment in the search for a Chancellor at the University of Massachusetts Lowell:

Board of Trustees
March 14, 2007

William T. O'Shea, Chairman
Howard Berke
Susan Braunhut
Julie Chen
Kay Doyle
Mary Ellen Fitzpatrick
Joyce Gibson
Charles Hoff
Ann Marie Hurley
James R. Julian
David MacKenzie
Heather Makrez
Robert McCarthy
William Martin
Frank McKone
J. Keith Motley
Janet D. Pearl, M.D.
William Poduska, Sr.
Dana Skinner
Steven Tello
Karl E. White

(Doc. T07-028)

There was a round of applause.

Chancellor-elect Martin Meehan addressed the Board and thanked Trustee O'Shea and President Wilson for their support and Trustee Makrez for her hosting of a tour of the campus. He commended David MacKenzie for his work, thanked Chairman Tocco and President Wilson and looked forward to working with the other four Chancellors. He indicated his success stems from his education at the Lowell campus and looks forward to this new challenge.

Following a round of applause, the meeting adjourned at 11:08 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees