

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

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

**Friday, December 14, 2007
Ballroom A – Campus Center
University of Massachusetts
100 Morrissey Boulevard
Boston, Massachusetts**

Trustees Present: Chairman Tocco; Vice Chairs Karam and Manning; Trustees Beatrice, Braceras, Carlin, Collins, DiBiaggio, Johnston, King-Shaw, Kulenovic, Lawton, MacAfee, Nath, O’Shea (via conference call), Osterhaus-Houle, Pearl and Thomas

Trustees Absent: Trustee Boyle, Endich, Rego Weathers and Thompson

University Administration: President Wilson; General Counsel Bench; Chancellors Cole, Motley, MacCormack, Meehan and Collins; Executive Vice President Julian; Vice Presidents Chmura, Connolly, Lenhardt and Smith; Associate Vice President Harrington; Mr. Harrison, Director of Auditing

Faculty Representatives: Professor May, UMASS Amherst; Professor Tirrell; UMASS Boston; Ms. Gibbs, Librarian, UMASS Dartmouth

Guests: Professor Rachel Rubin, UMASS Boston

Chairman Tocco convened the meeting at 8:29 a.m. and asked for the **Approval of the Minutes of the Previous Meeting of the Board.**

It was moved, seconded and

VOTED: To approve the minutes of the September 19, 2007 meeting of the Board.

Chairman Tocco then asked for the **Student Trustee Report.** On behalf of the students of UMass Boston, Trustee Kulenovic welcomed the Trustees to the Boston campus. He then addressed the accomplishments, challenges, aspirations, and needs of the students of UMass Boston. His report included:

This is a transformative period for the campus with a new Chancellor and a strategic and master plan that a lot of people have worked on; we can expect a lot of growth and positive change in the decade ahead. We pride ourselves in our diversity. The flags on this campus represent the nationalities of the family backgrounds of our students. So many students here are

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the first in their families to go to college and so many have already had fascinating careers, so many have had to overcome incredible adversity just to be here.

This campus has a strong tradition of volunteerism and activism. It is not unusual for a single student to be actively engaged in class, work for a living, sit in the student government, run one or more student organizations, volunteer in the community, and still help other students. Fifty students crammed themselves onto a bus for 30 hours each way to do volunteer work in New Orleans in a completely student-organized and student-run trip. This campus is defined by an urban mission that is inherently a public service mission, but it is not limited to the city of Boston.

The potential of this campus is vast. Our deteriorating buildings are a perfect metaphor for the current state of public higher education in Massachusetts. A college education is as important now as a high school education was 50 years ago. We need to be just as revolutionary in the affordability front. After several severe cuts and increases, too many students have to take outrageous steps to forward their education, or in some cases not forward their education. We can no longer congratulate ourselves on the fact that other schools are becoming less affordable more quickly than we are. Too many students are being left behind and the affordability crisis must be addressed.

Having seen the University decision-making processes at many levels, we have an abundance of good intentions, but a shortage of trust and understanding. Only increased transparency and inclusiveness can bring us out of a siege mentality and back on the road to addressing common problems, and only increased exposure to different constituencies and their intended viewpoints can lead to a better understanding of what those items are.

Trustee Kulenovic extended an open invitation to Trustees to visit the campus, to get to know the people who study and work here; he will continue to encourage students to fight for a better UMass Boston to fully realize its urban mission.

Chairman Tocco thanked Trustee Kulenovic for a great job here at the campus, but more importantly as a very valuable member of the Board of Trustees.

Chairman Tocco indicated that there are three guests speakers, and they will be allowed three minutes each to make their presentation.

Professor May provided a snapshot looking back over the last 17 years to see where we've been, where we are, and what the challenges have been for the University. Highlights included:

- UMass Amherst is a research campus and the single most important measure of the status and health of the University is federal research expenditures;

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- Our faculty is getting smaller. In 1990 there were 1185 tenure-track faculty. By 2006 it was down to 937 tenure-track faculty;
- With smaller faculty we are less able to compete for federal research dollars, and with more students we are forcing faculty to increase their class sizes;
- The size of the deferred maintenance backlog at UMass is more than twice the size of UNH and UConn. The growth of research at UMass Amherst and even the growth of the faculty are severely held back by the poor conditions of our facilities;
- The rise in the undergraduates at UMass Amherst over five years is up by 7%, applications have increased by nearly 28,000 per year;
- Mandatory student fees have increased since 1999;
- We are doing great work, and great things are happening.

Chairman Tocco then asked for a motion to approve Resolutions thanking former Trustees Robert McCarthy, Robert Sheridan and Karl White. The resolutions speak to the hard work and dedication to each of these Trustees appointed over the time that they have served on the Board. He indicated that an event in their honor which was cancelled due to the weather will be rescheduled.

It was moved, seconded and

VOTED: WHEREAS, Robert K. Sheridan served on the Board of Trustees from 2002 to 2007, serving as Vice Chairman of the Board since 2006; and

WHEREAS, Bob served as an ex officio member of the Committee on Academic and Student Affairs, the Committee on Athletics, and the Advancement Committee. He served as Vice Chairman of the Committee on Administration and Finance, and was a member of the Committee on Academic and Student Affairs and the Trustee Governance Committee. He also served as Chairman and Vice Chairman of the Committee on Athletics and Vice Chairman of the Committee on Academic and Student Affairs and as a member of the 2003 President's Search Committee; and

WHEREAS, Bob Chaired the UMASS Lowell Ice Hockey Task Force that resulted in the continuation and revitalization of the program for many years to come; and

WHEREAS, Bob continues to serve as a member of the University of Massachusetts Building Authority, the University of Massachusetts Amherst Foundation Board, the University of Massachusetts Amherst Football Task Force and the Chancellor's Search Committee at the University of Massachusetts Amherst; and

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WHEREAS, Bob, despite the heavy demands of his profession, was invaluable in his efforts on behalf of the University and has been referred to as “no nonsense Bob” for his work ethic; and

WHEREAS, Bob and SBLI were co-sponsors with the University of the first and most successful Global Health Symposium in May, 2007; and

WHEREAS, Bob generally cares about everyone he meets and always inquires about the health of family and friends; and

BE IT RESOLVED, that the Board of Trustees of the University of Massachusetts, in a meeting assembled this fourteenth day of December, two thousand and seven does hereby express its sincere and abiding appreciation for his generosity, his performance as a Trustee, for his time and effort and his enduring sense of humor; and

BE IT FURTHER RESOLVED, that Bob will continue to provide the University his counsel, his wit and friendship for many years to come.

And further,

VOTED: WHEREAS, Robert B. McCarthy served on the Board of Trustees from 1999 to 2007 serving as Chairman of the Audit Committee, Vice Chairman of the Committee on Athletics and served as a member of the Committee on Administration and Finance; and

WHEREAS, Bob serves on the 2007 University of Massachusetts Amherst Search Committee; and

WHEREAS, Bob serves as President of the Professional Fire Fighters of Massachusetts representing 12,000 professional union fire fighters; and

WHEREAS, Bob served as Captain of the Watertown Fire Department for 34 years and in this position took part in the recovery efforts of September 11th at the site of the World Trade Center; and

WHEREAS, Bob served as a member of the Board with passion and never hesitated to express his concerns and to take a stand he believed in; and

WHEREAS, one of Bob’s last action’s on the Board was to introduce a motion that would waive the fees in addition to the tuition for the children of fallen fire fighter, Paul Cahill; and

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BE IT RESOLVED, that the Board of Trustees of the University of Massachusetts, in a meeting assembled this fourteenth day of December, two thousand and seven does hereby express its sincere and abiding appreciation for and gratitude to Bob for his contributions to the University and people of the Commonwealth; and

BE IT FURTHER RESOLVED, that Bob will continue in the years ahead to share his loyal and devoted concern for the University.

And further,

VOTED: WHEREAS, Karl E. White served on the Board of Trustees from 1999 to 2007 serving as Chairman in 2006 and Vice Chairman in 2004; and

WHEREAS, Karl served as Vice Chairman of the Committee on Administration and Finance and as a member of the Investment Advisory Group, Chairman and Vice Chairman of the Audit Committee and as Chairman and Vice Chairman of the Committee on Academic and Student Affairs, as a member of the Trustee Governance Committee and as member of the Science and Technology Task Force; and

WHEREAS, Karl served on the 2003 President's Search Committee, the Worcester City Campus Corporation, the Adopt a Campus Program at the Medical School and served as a Trustee Liaison to the Board of Higher Education;

WHEREAS, Karl serves as a member of the UMASS Foundation Board and as a member of the Investment Committee; and

WHEREAS, Karl never said no to any request to aid this Board and the University and worked tirelessly with a commitment to the students of Massachusetts; and

WHEREAS, Karl led the Task Force on Diversity on the Boston campus meeting with campus representatives including students and employees resulting in a comprehensive report that solidified the core urban mission of the campus; and

WHEREAS, Karl was a leader in promoting the commercialization of University technology and allowing investments in University start-up companies; and

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BE IT RESOLVED, that the Board of Trustees of the University of Massachusetts, in a meeting assembled this fourteenth day of December, two thousand and seven does hereby express its sincere and abiding appreciation for his warmth and many kindnesses, charm and good cheer; and

BE IT FURTHER RESOLVED, that Karl will continue to provide the University his counsel and friendship for many years to come.

The next item was a **Presentation by Chancellor Motley: “Strategic and Master Plan Review, UMASS Boston”**. Chancellor Motley and Mr. Larry Chan provided an extensive presentation of the Strategic Plan for the Boston campus. Presentations on the Plan were also made at the November 20 Academic and Student Affairs Committee meeting and the November 28 Administration and Finance Committee meeting. After the presentation, there was a question and answer period where Trustees expressed their excitement for the plan. Concerns were also expressed about the crisis of capital issues across the University, and the effects the building of dorms at the campus would have on providing access to the community.

Chairman Tocco then indicated that while there are various strategic plans underway, his view was that a lot of it should be put on hold until the Board has had the opportunity to articulate its vision and its plan. Going forward, whatever the process, there should be more Board involvement in the strategic planning process.

The next item was the **President’s Report**. President Wilson thanked Chancellor Motley and Trustee Kulenovic for their reports. UMass Boston is a campus with many strengths—it’s the City of Boston’s public research University with a strong academic portfolio, strong community ties and a gorgeous location on Dorchester Bay. Chancellor Motley articulated a vision in his inaugural address for a “research University with a teaching soul” with the campus’ expertise in both areas contributing in an interdisciplinary way to serve local, national, and global constituencies. He then welcomed Trustee Kerri Osterhaus-Houle to her first full Board meeting since being appointed by Governor Patrick.

President Wilson then reported the following:

- The Trustees, Chancellors, and I aspire to gain for the University of Massachusetts its rightful recognition as the Commonwealth’s world-class research University and innovation engine.
- I thank the Trustees, Chancellors, and faculty for their hard work and leadership in continuing to advance the University’s excellence and to enhance the student experience at all of our five campuses.

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- With strong leadership in place, we are delighted that the Amherst Search, ably Chaired by Trustee Braceras, is off to a great start. We are pledging to work together to reach a successful conclusion.
- We are focused on rebuilding a great faculty and rebuilding our infrastructure. These are two of our highest priorities.
- We have more than 61,000 students across all five UMass campuses this year, and as you may recall, we had record applications for the class of 2011 at all of our campuses.
- Our research expenditures surpassed \$400 million dollars and we had a record \$41.4 million dollars in intellectual property commercialization revenue in Fiscal Year 2006, an area where we are a state and national leader.
- We have invested \$1.5 billion on new buildings and building upgrades over the past seven years—investments in buildings like the UMass Boston Campus Center where we are gathered today, which greatly benefit our students, faculty and staff.
- This year, the Board approved an ambitious \$2.9 billion dollar, five-year capital plan, supported by a \$2 billion dollar total higher education bond bill proposed by the Patrick Administration. Our plan is ambitious because our goals for the University of Massachusetts are very ambitious, as we create top-notch, 21st century facilities at all of our campuses. Our students, and our state, deserve nothing less.
- We also have good news to report on the growth of the University's endowment, which stood at an institutional record of \$350 million at the end of June. I want to thank all of the friends of the University and alumni who have made philanthropic gifts recently.
- In addition, the University's Life Sciences and Clean Energy Working Groups are developing assessments of our research strengths and areas for strategic growth across all of our campuses. Collaborative efforts in life sciences have put the University at the center of the Patrick Administration's life sciences initiative. We have received the initial funding for the Stem Cell Bank and Registry and workforce study.
- Again, thanks to all of our Trustees for their service this year—I sincerely appreciate the leadership, time and wisdom you contribute to the University. I also want to thank the Chancellors for their leadership.

Trustee Collins then asked for an update on the progress of the unresolved collective bargaining agreement with the teachers at the Amherst campus. Chancellor Cole indicated that

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conversations are ongoing. There are several issues which we have absolutely no control over, but we continue to work at it.

Trustee Collins indicated that while it was not appropriate for the Board to get involved in particular aspects of the issue and try to micromanage collective-bargaining, he would like to offer a motion that the Administration apply all necessary attention and energy to move forward towards an equitable resolution on the outstanding collective bargaining agreement. Chairman Tocco indicated that we are fully committed to working on this, and did not entertain the motion. There is a sense among the Board that we want to get this resolved.

The next item on the agenda was the **Report of the Committee on Academic and Student Affairs**. Trustee King-Shaw, Chair of the Committee reported that the Committee had met on November 20 and had one action item, one discussion item, four information items and four items for Executive Session including tenure decisions and approval of names for potential honorary degrees.

President Wilson highlighted an initiative from each campus that focused on at least one of the University/Trustees' Strategic Priorities. The initiatives are drawn from the campus quarterly reports.

Senior Vice President Williams presented highlights from the information items on Periodic Multi-Year Review, Academic Quality Assessment and Development, and Preliminary Enrollment Information. Periodic Multi-year Review is now an integral part of the institution, with a number of faculty undergoing their second review. There were 102 faculty members reviewed; 101 were determined to have satisfactory reviews and one is still in process. (A *satisfactory review* means that the faculty member and appropriate administrator agree on a plan of development for the next seven year period). Enrollment numbers for fall 2007 show continued improvement in quality of the incoming class. The campuses anticipate high application numbers for fall 2008. Senior Vice President Williams also addressed the development of the China Institute, a service entity which will maximize the impact that the University can have with its China Strategy.

The action item was the **Appointment to Named Professorships, UMASS Boston and Worcester**. Provost Fonteyn had presented the qualifications for Dr. D.V.G.L.N. Rao and Provost Ockene for Dr. Alan Rosmarin as Named Professors.

It was moved, seconded, and

VOTED: To concur with the President in the appointment of Dr. D.V.G.L.N. Rao as a Distinguished Professor at the University of Massachusetts Boston.

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And further,

To concur with the President in the appointment of Alan Rosmarin to the Gladys Smith Martin Endowed Chairman for Oncology Research at the University of Massachusetts Worcester. (Doc. T07-088)

Chancellor Motley had presented the Campus' Strategic Plan. He described the development of the plan, which began under former Chancellor Collins. The strategic plan is intended to provide long-range planning for the academic, student life and infrastructure needs of the campus. The final plan contains four strategic goals, which relate to the Trustees' strategic priorities, and seven recommendations. Trustees responded positively to the plan, although concern was expressed that it is difficult to evaluate the plan without being able to tie its goals and direction to a larger strategic direction for the University. Some Trustees expressed a need once again to discuss a strategic plan for the University to which individual campus plans could be connected.

The Committee's recommendations with regard to **Appointments with, Awards of and Transfer of Tenure** as well as a motion regarding **Honorary Degree** recipients will be taken up in Executive Session.

The next item was the **Report of the Committee on Administration and Finance**. Trustee O'Shea reported that the Committee had met on November 28 and covered a number of important agenda items. President Wilson and Vice President Lenhardt commented on the positive fiscal picture for the University at the end of last year.

The Committee had four very informative presentations. First Chancellor Motley presented the Boston strategic plan which was supplemented by his facilities master plan presentation today. Chancellor Collins presented a very comprehensive view of the financial position and plans for the Medical School and also explained that the school was engaged in a new and comprehensive strategic plan. As part of our regular agenda the Committee heard an updated report from the UMASS Building Authority on all of their many projects.

Trustee Kulenovic presented a plan for community investment that will be reviewed in anticipation of the next meeting.

Vice President Lenhardt and Controller Wilda provided an annual review of the financial condition of the University with many indicators of success and competitiveness.

The first action item was **Authorization to Prepare and Submit FY2009 State Budget Request**.

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It was moved, seconded and

VOTED: To authorize the President to prepare and submit the University's Fiscal Year 2009 State Appropriation request consistent with the University's funding formula pursuant to Section 7 of Chapter 75 and Section 15B of Chapter 15A of the General Laws. (Doc. T07-112)

The next item was **Amendment to the Capital Plan, Student Housing Project, UMASS Lowell**

It was moved, seconded and

VOTED: To amend the University of Massachusetts Five-Year Capital Plan as contained in Document T07-076 by adding the following new project for the Lowell campus:

Total Project	Cost Est. <u>Project Name</u> <u>Nov-2007</u>
New Residence Hall Facility	\$42,500,000

(Doc. T07-076, Addendum 1)

The next item was **Tuition and Fee Waiver Policy for Recipients of the Massachusetts Public Service Grant.**

It was moved, seconded and

VOTED: The University shall extend mandatory fee waivers to all students eligible for and receiving the Massachusetts Public Service Grant established by Chapter 15A: Section 16. (Doc. T07-113)

Chairman Tocco then announced that with the support of Trustee Lawton and working with the Advancement Committee, a Task Force on Alumni Giving has been established—young alumni giving in particular. He asked the Board for their support in formalizing the Task Force. Trustee Nath will Chair the Task Force.

It was moved, seconded and

VOTED: To establish the Young Alumni Giving Task Force.

Trustee Lawton gave the **Report of the Advancement Committee.** The Committee had met on November 20; Trustee Lawton thanked Chairman Tocco, President Wilson, the Chancellors

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and Vice Chancellors, and members of the President's Office and Foundation staff for their support and many contributions to the University's advancement efforts.

We take great pride in the University and in the alumni community, and are very optimistic about the ability of all of our campuses to reach their full potential in fundraising. We must forge lifelong relationships with our alumni. We need their support and the support of many others to help the University claim its rightful place as a world-class research University and we must develop strategic communications and programs that work to highlight for our alumni all of the best aspects and achievements of our campuses. As President Wilson has pointed out, a culture of collaboration is also an absolute necessity to realize every one of our goals. The Committee on University Advancement and the five campuses have made good progress on this front and I am confident that we will continue to make progress and to achieve even greater heights as a result.

Discussions are underway about enabling tools for better coordination. Fundraising will continue to be campus-led and campus-managed. However, the University needs a better process for coordinating fundraising efforts; we are in the process of working collaboratively with campus leadership to develop guidelines aimed at managing these issues. The goal is to elevate development efforts across all campuses and to provide greater support and accountability for those efforts.

The Trustees are committed to supporting Advancement initiatives for all of the campuses. We will continue to develop policy initiatives that present opportunities to make the best use of our limited resources, drive increased participation and donations by alumni and friends, and improve perceptions about the University. Whether we are talking about operational changes or participation challenges, we want to aim at what is good for the University for the long term.

At the last meeting of the Committee it was reported that Harris Connect was selected as the preferred vendor for the Online Community. The Boston, Dartmouth, Lowell and Worcester campuses will be sharing a portal, which will allow alumni to access the full power of the alumni network.

We have now gathered five full years of data from the campuses and can look at historic performance on both new gift activity and on cash collection. This is the first stage of what will be a deeper analysis that can help to inform where additional investment in staff or other programmatic areas might yield increased philanthropic dollars in the long term.

The campuses have put forth a fundraising goal for FY08 of \$84M. Some of the programs are in the process of identifying performance goals other than dollars that will shore up fundraising performance long-term.

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The University's endowment continues to grow thanks to the efforts of the development teams across the five campuses and the team at the UMASS Foundation. As of September 30, the University's endowment stood at almost \$358M thanks to the good work of the Trustees in enacting the Quasi-Endowment Policy and the good work of the UMASS Foundation Investment Committee, whose performance over the past year was superb.

Trustee Lawton thanked the Foundation's Board for their work and support. He then asked the Board of Trustees to approve a motion, which acknowledges the good work and appreciation to Chairman Roy Zuckerberg and the other directors of the Foundation for what they do on behalf of the University.

It was moved, seconded and

VOTED: To draft and send a resolution to University of Massachusetts Foundation Chairman, Roy Zuckerberg and the other directors articulating the Board's appreciation for what they do on behalf of the University.

The next item was the **Report of the Audit Committee**. Trustee Johnston, Vice Chair of the Committee, reported that the Committee had met on November 28th. The agenda included a briefing on all current University audit activities, both internal and external, and the Committee discussed and accepted completed annual contracted audit reports, which we will recommend for full Board approval today. The guests at this meeting were representatives of our general audit firm, PricewaterhouseCoopers - Paul Hanley, our engagement partner, and Claire Esten, the senior manager.

The Committee began with a report from Robert Harrison, Director of Internal Audit. At the request of the Chairman, Mr. Harrison provided an informational packet to all Committee members, which included staff background, the Department Charter, the Audit Committee Charter, and the current Trustee Approved long-range Audit Plan. He summarized the audit related activity in process throughout the University System by providing a one-page listing of the current audits under way internally, those reviews contracted with outside CPA firms, and those by the Office of the State Auditor and Federal audit agencies.

The Committee received updates from our last meeting. One dealt with an informal October meeting on the financial statements held with Trustees Boyle, O'Shea and Rego Weathers, along with University Controller Wilda and PricewaterhouseCoopers. Mr. Harrison explained the need for this meeting was to meet certain State Comptroller requirements that our Committee is satisfied as to the status of the financial audit as of October 15th. He also wanted the Committee to know that the financial audits, and the other reports to be voted on today, were in fact completed much earlier than in past years, thanks to the hard work of all involved.

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A second update dealt with a request from Trustee Karam as to how we contract for external audits and the potential limitations on liability. A summary reply was provided to Mr. Karam and the Committee noting that all external audits are contracted using our General Counsel-approved standard professional services contract, which has no limitation on liability, and contains no provisions that would limit an audit firms' liability to the amount of their fee.

Mr. Harrison then briefed us on a number of informational items that he sent to the President and Committee members. These audit items included summary information on the Federal Grants review at Amherst, which was a subject of the Committees' Executive Session; two internal audit memorandum that summarized audit investigations on incidents of wrongdoing; and, the transitional review completed for Chancellor Meehan at Lowell. That transition review included steps to ensure compliance with spending activity and numerous interviews seeking feedback for the Chancellor.

Mr. Harrison then indicated that in order to provide a requested status update on two earlier internal audit subjects, those of Emergency Preparedness and Employee Background Checks, he asked Vice President Lenhardt to brief the Committee. Vice President Lenhardt reported on the progress and events that have taken place with both the Risk Management Council and the Human Resources Task Force. He reported that the Council continues to deal with issues of disaster recovery, business continuity, campus safety, and emergency communications with faculty, students, and staff. Vice President Lenhardt also updated us on the work of the HR Task Force, and their drafting policy ideas on a common approach to background checks, now under review at the President's Office.

Chairman Tocco expressed the need to consider a system-wide security exercise and the need for a senior-level security expert at the University. Discussion of those ideas determined that further incident command training will take place before an actual incident exercise, and that work is in progress on a potential Request for Proposals for security consulting expertise.

Mr. Harrison then went over the provided Quarterly Summary Listing of all the system-wide audit activity. This concise summary denotes a number of items closed since the last reporting period as well as new projects started.

Of note was the departments' beginning work with Audit Plan Reviews of Receipting and Cash Handling Locations, with work nearly completed at the Lowell Campus, and set to start at the Dartmouth Campus in January. The goal is to have each of the five campuses separately reviewed as resources become available.

Activities of all Executive Offices at the 225 Franklin Street President's Office are under review, with a detailed scope focusing on business transaction compliance with University policy and procedure, as well as a general review of the current control environment. Additionally, a

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review of the President's Office/Central Administration Procurement Operations will be started soon, with an initial focus on the status of prior audit recommendations.

The Committee heard Mr. Harrison detail the series of Transitional Reviews underway due to the changes in campus leadership over this past summer. The Lowell review, already completed and provided to the Chancellor, was useful in planning the scope for the other locations, and from that project he contracted with an independent internal audit firm to perform the Amherst, Worcester, and Boston reviews.

For the traditional compliance coverage necessary in a leadership change situation, he scoped the review to include all expenditures identified for the departing Chancellor and his immediate offices, with a focus on travel and entertainment, purchase credit cards, executive office transactions, time and labor controls, and delegations of authority.

For the Control Environment study segment of the review, they held interviews with numerous key campus executives with the goal of obtaining unbiased feedback. Those interviews cover the pervasive elements of the campus control environment - such as their awareness and candid thoughts on ethical values, code of business conduct, operating style, the campus commitment to competence of staff, hiring practices and performance reviews, input as to their evaluation of risk, the quality of information, the quality of policies and procedures, campus and unit vision and mission, and the overall campus organizational structure.

Comments and observations will be provided in a detailed report to the Chancellors and the President, for them to make use of in any manner they feel helpful, as well as to provide corrective actions if any specific compliance area needs addressing.

Mr. Harrison noted that the Amherst and Boston Campus had worked diligently to satisfy a number of Federal and State Agency audit inquiries; and that the lengthy, detailed, State Auditor's Office reviews at Dartmouth and Boston were on a path of closure. When any of these external agency reviews result in a written report, the Committee and the President will receive copies.

For the next Committee meeting, a number of items will come to closure. In particular, the Committee will have the last four fiscal year ending 2007 externally contracted reviews - the two University radio stations and the Division I and Division II campus NCAA reviews - those all being necessary due to outside regulatory requirements.

There will be a completed internal audit report detailing the survey of all cash handling locations at the Lowell Campus, and the study of Athletic Team Advances process at the Amherst Campus.

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Mr. Harrison's team will provide a formal "interim" report on the collaborative work being performed with Vice President David Gray and his team on the important subject of System and Network Vulnerability. A similar, and as important a subject, second "interim" report, will be on the collaborative work with Vice President Lenhardt, the Treasurer's Office, and all campuses on our compliance with the credit card industry data security standards.

The Committee then heard from PricewaterhouseCoopers on the annual contracted reviews. Paul Hanley and Claire Esten presented four documents for discussion and approval; they included the Report on the Financial Statements of the University for fiscal year ended June 30, 2007; the Report on Federal Financial Assistance Programs in Accordance with OMB Circular A-133; the Report on Massachusetts Student Financial Assistance Programs; and, the Annual Communication Letter to Management.

Mr. Hanley summarized the results of the audit and provided commentary required to be reported annually to the Board. His commentary covered the significant adjustments made, significant changes in accounting policy, a review of adjustments booked as a result of the audit and a report on the evaluation of internal controls, as well as the independence and responsibility of PwC as our auditors. Mr. Hanley discussed the status of all audits and anticipated all reports will be issued Unqualified Opinions after Board approval on December 14th.

Ms. Esten provided an overview of the reports on the Federal and State Financial Assistance Programs, these being required regulatory reports. She discussed the results and details of the findings as reported, noting there were no material weaknesses or significant deficiencies, and that they issued clean opinions on our compliance and controls over federal programs. The state student assistance programs were for the Amherst and Dartmouth Campuses and resulted in no findings.

Mr. Hanley concluded his comments with an overview of the Management Letter, noting that no matters mentioned were significant deficiencies or material weaknesses.

Chairman Boyle concluded the PwC segment of the meeting by stating his thanks to all Campus Chancellors and Controllers for a good year and good work in addressing these necessary audits. He recognized that there was great cooperation given, there were no material deficiencies, there was good follow-up on the prior year Management Letter comments, and expressed that the important matter of cash and year-end reconciliations had been fully addressed.

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It was then moved, seconded and

VOTED: To accept the following Audit Reports:

1. The University of Massachusetts Annual Financial Report (Doc. T07-097)
2. The Report on Federal Financial Assistance Programs In Accordance With OMB Circular A-133 (Doc. T07-098)
3. The Report on Massachusetts Student Financial Assistance Programs In Accordance with the Massachusetts Office of Student Financial Assistance (Doc. T07-099)
4. The Annual Letter of Comments and Recommendations With Respect to Accounting and Operating Controls and Procedures (Doc. T07-100)

Trustee Karam then asked Chancellor Collins to provide an update on the potential audit for the federal government relating to the Medical School and UMass Memorial as it relates to the financial statement, at the next meeting of the Administration and Finance Committee. What is the impact to the University and what is the potential impact in terms of public relations should that come up and it says UMass Memorial, and everyone in the Commonwealth including the Legislature thinks it means UMASS?

Trustee Pearl then gave the **Report of the Committee on Science, Technology and Research**. The Committee had met on November 20th and was pleased to report on another very positive and productive session. The Committee received updates on two system-wide initiatives, the Life Sciences and Clean Energy, and most importantly, had for the first time ever a panel of the Chief Research Officers from the five campuses give the Committee a strategic overview of their research enterprise and plans for the future.

President Wilson opened the meeting by highlighting the importance of the Governor's \$1 billion capital proposal for UMASS. He noted that many of the projects to be funded under this proposed legislation would support the kind of 21st century facilities and infrastructure necessary for UMASS' development as a world-class public research university.

President Wilson also highlighted the growing importance of collaboration across UMASS campuses, with private industry and state government as key to the future strengthening of the University's research enterprise.

Chancellor Collins provided an update of the Governor's \$1 billion Life Sciences Initiative. He noted that \$25M has already been allocated to the Life Sciences Center, and of that, \$8M has been approved to launch the Stem Cell Bank and Registry at UMASS Worcester, \$250 thousand

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for the Life Sciences Talent Initiative at the UMASS Donahue Institute, and \$12M for matching grant programs for which all UMASS campuses will compete.

He also highlighted his efforts to help position the University as the leading institution to help the state realize the full potential of investments in the life sciences and the economy of every region of the Commonwealth. Chancellor Collins has visited every campus to review their life science activities and plans to explore potential areas of collaboration. He has also organized a System-wide Task Force to create a system-wide vision for the life sciences and collaborative approach to the Life Sciences Initiative.

Vice Provost Kostecki of the Amherst campus highlighted the University's strengths in Clean Energy and identified a series of potential areas for future growth and development, which include: offshore wind, biofuels, photovoltaics, new kinds of fuel cells, and marine renewable energy among others. Vice Provost Kostecki and his Clean Energy Working Group is developing a Clean Energy "White Paper" to guide the system's developments in clean energy. They will be consulting with state officials and industry leaders and will complete the report in time for the next Committee meeting.

The Committee also heard a discussion from a panel of the Chief Research Officers of the five campuses on campus research programs and strategies. Vice President Chmura set the stage for their discussion by providing an overview of the University's Research and Development program, which was over \$400M in FY2006, the 3rd largest in the state, 4th in New England, and 20th among public university systems in the U.S. About 62 % of our funding comes from the Federal government, and about 60 % of our research is in the life sciences. Last year, we grew about \$27M or 7.2 % over FY2005. This is much higher than the national growth rate of 4.3 %.

The five campus Research Officers provided overviews of their current research enterprise, their signature programs and competitive positioning, and plans and strategies for the future. The panel's presentations generated much excitement and enthusiasm among the Committee. It is clear that each campus, in its own way, is working hard to strengthen their research enterprise.

A number of topics for follow-up were identified from the panel's presentations and the Q&A that followed: the potential need for additional areas of collaboration and focus (beyond life sciences and clean energy); the importance of our federal relations strategy; the need to increase the amount and percent of research and development sponsored by industry; the desire to increase the President's highly successful Science and Technology Fund and use it as a tool to promote inter-campus collaboration; and the need to improve our understanding of key research and development metrics, including benchmarking UMASS campuses versus peers.

President Wilson concluded the meeting by reminding us of the extraordinary opportunities before the University in the Governor's Life Sciences and Higher Education Capital Bills and the

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Speaker's Clean Energy Bills. He urged all members of the UMASS community to work collaboratively on these issues.

Chairman Tocco indicated that Professor Rubin from the Boston campus had arrived and would give her presentation. Professor Rubin expressed faculty concerns with UMASS Boston's Strategic Plan for the future. Faculty members are very concerned that teaching and pedagogical and learning implications be taken into account when the buildings are designed. Also, the retention and recruitment of new faculty is important. It is important for the implementation of contracts to become a priority once they are signed.

Professor Rubin indicated that Mr. Max Page, President of the Massachusetts Society of Professors from UMASS Amherst could not make the meeting today because of the weather and read prepared comments from Mr. Page urging the Board to develop a strategic plan for the Amherst campus similar to the UMASS Boston plan; support for the UMASS Amherst Student Campaign to make education at UMass Amherst more affordable; commending President Wilson and the Board for not raising fees more than the rate of inflation for several years and urging those present to join the campaign to dramatically increase financial aid and become activists on behalf of affordability.

Under **Other Business** Trustee Carlin gave a brief **Report of the Athletics Committee**. He reported that the University has had some great successes, some heralded more than others, on athletic fields on all of the campuses. He expressed his disappointment that the Recreation Center at the Amherst campus had been delayed again, which is unfair to the students, and suggested the campus, consider moving forward with a process for refunding students that have been paying fees earmarked for this building over the past six years.

Chairman Tocco also expressed his frustrations with the pace of the building and indicated that he would seriously consider such a motion to refund that money to, at least, the current students if there is no resolution to the problem. Chancellor Cole indicated that they are proceeding with the construction of the facility, but the delay is hurting the process as the campus consults with advisors to resolve the problem. President Wilson indicated that a legal challenge presented itself with a historical building and we are doing everything we can to move this forward. The campus has to go through the legal process in order to resolve this.

Chairman Tocco reiterated that he and Trustee Carlin had an issue with collecting fees from students these last six years. Trustee Braceras agreed with Chairman Tocco and Trustee Carlin and stated that that the people who filed the lawsuit, in her opinion, are doing a great disservice to the students of the University.

Trustee Braceras then provided an update on the progress of the **Amherst Chancellor's Search Committee**. She thanked outgoing Chairman Tocco for his leadership with respect to the University and in particular his friendship towards and vision with respect to the Amherst

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campus. The Search is off to a terrific start. We have a diverse Search Committee that includes current and former Trustees. Both former Trustees Sheridan and McCarthy remain on the Search Committee. Their wisdom and institutional memory is very helpful in that regard. Some great faculty members, alumni, students and community members that bring a variety of perspectives and concern for the campus are also on the Search Committee. Trustee Braceras particularly thanked Susan Kelly who is staffing the Search.

There have been formal meetings on the Amherst campus, and we have hired the search firm of Isaacson and Miller. Meetings have been held primarily in Amherst but also in Springfield and in Boston and thanked Trustee Thomas for spearheading the meeting in Springfield. Based on all of the feedback and our own knowledge of the campus, we have the opportunity to put together a case statement that would describe the campus. We are now entering Phase Two of the search process where we are starting to recruit and review names. Yesterday's meeting in Boston had to be canceled due to the weather conditions. That meeting has been rescheduled for next Friday, December 21st. Chairman Tocco thanked Trustee Braceras and the Committee members for their work.

Chairman Tocco then indicated that a letter was sent to the Board, several weeks ago, articulating that he would step down as Chairman of the Board. The reasons in that letter were straightforward. 'I am honored to serve as your Chairman. I have a lot of passion certainly for the University'. He stated that he would be focusing on some issues he cares deeply about. They include an affordable agenda for the University; focus on the Amherst initiative to become a great flagship campus; economic growth and job opportunity in Springfield and the Berkshires; in terms for young people—the University has played far too small a role in that region of the Commonwealth.

Chairman Tocco reported that today the Board will vote for Trustee Manning as Chairman. Trustee Manning has been a wonderful Vice Chairman to him and he encouraged everyone on the Board to support him. We are at a crossroads for the University where we all need to get a hand and move forward. There are too many challenges facing the Commonwealth and we need to work together. Chairman Tocco thanked the Board for the opportunity to serve as its Chairman for the last year and a half. He stated that his letter indicated that he was going to be stepping down effective January 1, 2008. Chairman Tocco entertained a motion to be replaced as Chairman.

There was a round of applause.

Trustee DiBiaggio thanked Chairman Tocco for the leadership he provided. He noted that the Governance Committee normally meets in September to discuss the issue of leadership, and we should follow the process that is in place. Chairman Tocco encouraged everyone to support the motion. Trustee DiBiaggio made a motion to elect Trustee Manning as Chairman of the Board of Trustees.

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It was seconded and

VOTED: To elect Robert J. Manning to the position of Chairman of the Board of Trustees.
(T07-079, as amended)

Chairman Tocco congratulated incoming Chairman Manning, who then thanked the Board for their support. One of the great joys of his life is interacting with the Board and the Administration; their dedication and passion towards the University is very inspiring. There is a lot of work to do. To clarify some press speculation, he stated that he was not a ‘Mitt Romney guy or a Deval Patrick guy. He is a UMASS guy’. He loves the University, an institution which has played a major role in his life. He is committed to the responsibility of Chairman, and wants for all of the campuses to aspire to be great. One of his first priorities is to work with the Governor and the Legislature on the Bond Bill.

Incoming Chairman Manning then asked for another round of applause for outgoing Chairman Tocco.

Outgoing Chairman Tocco then announced the Board would enter **Executive Session** to consider **Award of Tenure, UMASS Worcester**, and **Appointments with Tenure UMASS Dartmouth, UMASS Lowell, UMASS Worcester**, and **Transfer of Tenure, UMASS Dartmouth**, and **Honorary Degrees, UMASS Amherst, UMASS Boston, UMASS Dartmouth, UMASS Lowell, UMASS Worcester**.

The Board will not reconvene in Open Session. The Secretary will call the Roll; Trustees are requested to state yes or no.

It was moved, seconded and

VOTED: To enter Executive Session to consider **Award of Tenure, UMASS Worcester**, and **Appointments with Tenure UMASS Dartmouth, UMASS Lowell, UMASS Worcester**, and **Transfer of Tenure, UMASS Dartmouth**, and **Honorary Degrees, UMASS Amherst, UMASS Boston, UMASS Dartmouth, UMASS Lowell, UMASS Worcester**.

Incoming Chairman Manning and outgoing Chairman Tocco voted for the motion as did Vice Chairman Karam and Trustees Beatrice, Braceras, Carlin, Collins, DiBiaggio, Johnston, King-Shaw, Lawton, MacAfee, Nath, Osterhaus-Houle, Pearl and Thomas.

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The time was 10:40 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees