

**UNIVERSITY OF MASSACHUSETTS**

**AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER**

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

**Wednesday June 10, 2009; 9:00 a.m.**

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

**Trustees Present:** Chairman Manning; Vice Chairs Karam and King-Shaw; Trustees Boyle, Braceras, Carlin, DiBiaggio, Gerson, Johnston, Koffman, Kulenovic, Lawton, MacAfee, Osterhaus-Houle, Pearl, Reville, Thomas and Tocco

**Trustee Absent:** Trustee Collins

**University Administration:** President Wilson; General Counsel Heatwole; Chancellors Holub, Motley, MacCormack, Meehan and Collins; Executive Vice President Julian; Senior Vice Presidents Williams and Gray; Vice Presidents Chmura, Connolly and Smith; Mr. Lenhardt, Deputy Chief Operating Officer; Associate Vice President Harrington

**Faculty Representatives:** Professors O'Connor and May, UMass Amherst; Professor Tirrell; UMass Boston; Ms. Gibbs, UMass Dartmouth; Professor Morse, UMass Worcester

**Guests:** Mr. Christian Guertin

Chairman Manning convened the meeting at 9:07 a.m. and thanked Chancellor Collins and his staff for their hospitality.

Chairman Manning then 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 February 27, 2009 meeting of the Board.

The next item was the **Secretary's Report.** Trustee Reville, Secretary of Education, reported that state colleges and universities may get to retain student tuition dollars instead of turning them over to the state's general fund. This change would come through higher education reform legislation that the Governor plans to file this summer or early fall. The bill will allow for tuition retention and would enhance public higher education's ability to borrow for capital projects.

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Secretary Reville also informed the Board that stimulus money for higher education will likely run out early and that the funding will be depleted in FY2010 instead of the following year.

Chairman Manning then introduced Professor Brian O'Connor, Faculty Representative from Amherst. This is his last meeting as the campus Representative. Chairman Manning expressed his gratitude to Professor O'Connor for his support and his passion for the University.

Professor O'Connor reported on his years on the Amherst campus and his distinct privilege assisting some 4000 students with placement in medical and dental schools especially at the Worcester Campus Medical School.

Professor O'Connor thanked President Wilson and his staff members and all the Trustees that have served over the years allowing him to express his opinions when necessary. He also thanked Professor May and welcomed his successor Professor Rick Adrion. He spoke of his pleasure serving as a member of the 2003 President's Search Committee.

Concluding his remarks Professor O'Connor stressed the University's mission to offer affordable and accessible high quality education to the citizens of the Commonwealth and thanked the Board for this opportunity to speak.

There was then a round of applause.

Mr. Christian Guertin, a UMass alumnus, then reported on his request to save the Amherst Ski Teams. The men and women's ski teams were cut in April, the only cut from a \$21 million athletic budget that is estimated to save \$100,000.

Mr. Guertin reported that supporters of the teams were not asking the University for the funding but only for varsity status which would mean eligibility for \$60,000 from the National College Athletic Association. Using a seasonal coach instead of a full-time coach could save another \$40,000. The University would be eliminating intercollegiate opportunities for its student athletes and possibly alienate University alumni.

Trustee Carlin, Chair of the Athletic Committee indicated that the Committee would not be considering the fate of the ski teams. Due to the economic situation the athletic department must be downsized and it must start somewhere. He commended Mr. McCutcheon, the Amherst Athletic Director for his dedication to these issues.

Trustee Tocco noted the need for a full review of all athletic programs. Vice Chair King-Shaw stated that he would defer to the wishes of the Athletic Committee but indicated the compelling case that has been made to keep the program.

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President Wilson stated that the Chancellor has to make these hard decisions. Chancellor Holub indicated that reversing the decision could set a bad precedent. Mr. McCutcheon, the Amherst Athletic Director while not happy about the decision indicated that it is in the best interest of the University and applauded the passion of those trying to keep the program.

Chairman Manning reminded the Board that the Budget Oversight Task Force will be visiting the campuses over the summer.

Chairman Manning then thanked Out-Going Trustees Alex Kulenovic from UMass Boston and Kristin Gerson from UMass Worcester for their service as Student Trustees. David Koffman from the Lowell campus has been re-elected for a second term.

Chairman Manning announced the Governance Committee Membership: Vice Chair King-Shaw, Chair, Trustee Johnston, Vice Chair; Trustees Carlin, Karam and Pearl. The Committee will meet over the summer and present their Report at the September 30 Board meeting.

Chairman Manning then congratulated President Wilson for hosting a National Forum on Public University Led Economic Growth which included 80 public land-grant universities.

The next item was the **President's Report**. President Wilson first thanked Chancellor Collins and his staff for the warm welcome and for hosting us at the Medical School – a school that continues to garner the acclaim and attention that is very much its due. Earlier this year, *US News & World Report* ranked UMass Medical School seventh in the nation in primary care education and as one of the nation's Top 50 medical schools for research.

So many positive things happening on this campus:

- An HIV vaccine formula developed here at the Medical School has cleared a hurdle that reaffirms its promise;
- Medical School researchers have published findings pointing to RNA interference as a means of combating Huntington's disease;
- Dr. Michael Czech and colleagues have published an important paper that describes an oral-delivery mechanism for bringing about gene silencing;
- The Medical School and UMass Memorial Health Care are partnering with the City of Worcester to develop a public health care mission for the city;
- The campus is working with the Massachusetts Office of Medicaid to make sure that children across the Commonwealth have the protection of health insurance coverage;

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•Two of the Medical School's assistant professors, Marc R. Freeman, PhD, and Christopher M. Sassetti, PhD, were among 50 young investigators at 33 institutions to be named Early Career Scientists by the Howard Hughes Medical Institute. Doctors Freeman and Sassetti were chosen from a field of more than 2,000 applicants at over 200 institutions in the United States. This is a new initiative unveiled last year by the Howard Hughes Medical Institute to support outstanding young scientists at the beginning of their careers.

President Wilson reported on the recent graduations with the five campuses of the University of Massachusetts system awarding nearly 12,000 degrees. The commencement ceremonies were full of energy and vitality leading to optimism about the future of the University, the Commonwealth, the nation and the world.

While the fiscal situation is uncertain, there is pride in the fact that the University is concluding this fiscal year with its finances in order, a testament to the leadership of the Chancellors, the hard work that has occurred on each campus and the guidance and support this University receives from its Board of Trustees.

As mentioned at last week's meeting of the Administration and Finance Committee, both Standard and Poor's and Fitch's rating services have affirmed the A+ credit rating of the University which is important for the interest rates the University pays on our debt and it is even more important in what it says about prudent stewardship.

President Wilson continued his report by indicating that the financial picture remains fluid. We will not know how much money we will be receiving from the state until the new budget is approved in the coming weeks -- and even then, we have to be attentive to the possibility of a mid-year recession during Fiscal Year 2010.

As the state budget process unfolds, there is work on alternative scenarios for reducing expenditures and maximizing revenues. The collective challenge has become even more pronounced with the ongoing deterioration of the Commonwealth's revenue picture. With interest in the University of Massachusetts at a very high level, it is important to note that the campuses will continue to provide an outstanding education to the sons and daughters of the Commonwealth.

There is also work to generate other forms of revenue, with research funding now at a record \$435 million dollars, with the amount of money we generate from University intellectual property at \$41.5 million dollars -- also a record -- and with UMassOnline generating \$47 million dollars.

The five campuses are competing vigorously for the special research grant funds that are a key part of the Federal American Recovery and Reinvestment Act. The campuses have advanced in the aggregate 314 grant requests totaling \$258.7 million to date. President Wilson commended the Chancellors and their enterprising research faculty members for the countless

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hours of extraordinary effort that went into the preparation and submission of these grant proposals. In the months ahead, the Board will be kept informed of the success in pursuing this important source of funds. The expansion of our University's research profile over the past several years provides us with a firm basis for optimism.

President Wilson reported on an announcement tomorrow with the Governor, some of the other leading research universities and some of the state's major firms. This will be a proposal that holds tremendous promise for the Commonwealth representing another exciting step forward for the University and recognition of the quality that exists here.

President Wilson concluded his report by expressing his gratitude to Professor Brian O'Connor, who has served as the UMass Amherst faculty representative to the Board of Trustees for the past dozen years. Brian has been dedicated to the task, getting up very early in the morning in Amherst to be on time for the 8:00 a.m. Committee meetings in Boston, working very hard to serve as a communications conduit between the faculty and the Board of Trustees. Brian has served with distinction in the Biology Department for the past 42 years and has led the Amherst campus's pre-med program for the past 40 years, running the program jointly with his wife Karen for the past 35 years. During that time, he has helped to send more than 1,000 UMass Amherst graduates to Medical School, about two thirds of whom have come to study at the Medical School. As has been stated, Brian will continue to serve on the faculty and will continue to co-lead the pre-med program, which is good news for our students and for us. President Wilson thanked Brian, for a lifetime of dedication to his students and to this University.

Chancellor Holub then presented an overview of the "**Framework for Excellence; the Flagship Report.**" Chancellor Holub prepared the report as a response to a Trustee motion requesting a strategic direction for the campus within the first year of his tenure.

Some of the highlights included:

- This is a framework for excellence but there are already many points of excellence – largest number of applications, highest SAT and GPA averages, highest number of bacc degrees awarded and highest retention and graduation rates. *Smart Money* ranked UMASS Amherst 18 among 50 universities. Ranked among 100 research universities in the world.

- The soundest foundation of a university is the faculty. We need to implement a 10 year plan for hiring new faculty in concert with long-range plans to increase private support, bolster faculty grants and awards, and create new facilities. We had 1200 faculty in 1997, 972 last year. We will probably see a decrease next year due to budget issues. We will hire differently in the future, looking for strategic cluster hiring in interdisciplinary areas where the campus can achieve excellence.

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- Research and creative activity is one of the areas of note for universities. We have hired a Vice Chancellor for Research and Engagement to increase research and research support. This position will have greater authority than in the past. It will be important for connection with industry. We will also coordinate with government relations and academic affairs.

- Undergraduate education is the underpinning of success. Commonwealth College is a jewel on the campus. We will be piloting first year seminars next year to get students in touch with faculty members as quickly as possible. We want to provide a research experience for every student who wants one. We can also do better in establishing a pipeline from community colleges to the Amherst campus.

- Graduate Education is important. No first class institution does not have first class graduate programs. We have decreased in the size of graduate programs. We need to address funding; TA stipends are not competitive. We need to raise stipends in a few select programs with an expectation that there would be a return on investment from the program such as increased research. Also looking at development models to support graduate education.

- UMass Amherst is one of largest residential campuses in the country. Students come expecting the total experience. We look at recreation as well and are close to finishing the recreation center. NCAA II athletics is also a significant part of student life. We need to raise basketball, football and hockey back to championship status.

- We pride ourselves on being a diverse campus and have an obligation to do so. Twenty-Two percent of the incoming class were students of color. We have made strides in faculty diversity under the current provost. We need to set up programs for increasing number of students and may target high schools and build bridge programs to ensure success.

- How do we get to these goals? We have to rely on state support. We know what it is but also what it has been over the past 40 years. The cost of education at UMass Amherst has not gone up over the last decade. State support has gone down. We are a strong investment for the state. We are setting up a network of UMass Amherst alums, will continue with lobbying efforts and may establish a presence in Boston to assist with lobbying.

- We need to look at other things besides state support. Increasingly we are a popular option for students looking to enroll. We haven't done everything we could to tell students what a good investment we are. We are easily the best public research university in New England. We are looking at an out of state strategy. Having students from out of state is good for finances as well as diversity on the campus.

- There are two key leadership areas for the Chancellor. We want to provide additional coordination among the central administration. We have just hired a Provost and have a new Vice Chancellor for Development. We are in the last stages of recruiting a Vice Chancellor for Research and Engagement and will have a new interim Vice Chancellor for Student Affairs.

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•Development is vital for a modern campus. We are on a new course with a new hire and will establish a very good development office coordinated with other areas on campus.

Chancellor Holub ended his report stating that sustainability is a two pronged effort on the campus; we are trying to sustain ourselves as a premier research university. The Framework for Excellence is now being vetted by the faculty senate and across the campus. More concrete plans will come from the campus.

Following Chancellor Holub's report, Trustee DiBiaggio encouraged everyone to read the Chancellor's Reports that are sent out with the Board mailing. These reports include all the progress that is being made on each campus.

The next item was the **Report of the Committee on Administration and Finance**. Vice Chair Karam, Chair of the Committee reported that the Committee had met on June 3<sup>rd</sup>. The agenda continued to be heavily influenced by budgetary and financial considerations that are, in turn, influenced by global and national economic circumstances.

There was a discussion on the impact the national economy is having on Massachusetts, noting that economic activity in this state is estimated to have declined at a 4.2 percent annualized rate during the first quarter of 2009. This decline, in turn, has fed an unprecedented drop-off in state revenues of \$3.8 billion from Fiscal Year 2008 to Fiscal Year 2009, according to the Massachusetts Taxpayers Foundation. Vice Chair Karam reflected on the sound judgment exercised by the Board at its February meeting when we took the difficult, but necessary action, to assure that the University would have sufficient revenue in the new academic year to meet its commitment to provide our students with high quality, affordable education.

President Wilson in his report advised that the University's strong A+ credit rating had been affirmed by both Standard & Poor's and Fitch's Rating Service. The President noted that there would be little to no Federal stimulus funding available to public higher education in FY2011, requiring that the Chancellors adopt a two-year view of their budgets and financial plans. President Wilson also disclosed that University researchers recently advanced 314 grants requests totaling \$258.7 million against the expanded pool of research funding created by the American Recovery and Reinvestment Act.

Senior Vice President Gray shared with the Committee the news that the University has been awarded \$8.83 million in year-end capital funding by DCAM to address numerous minor capital repair and improvement projects. He also noted that the University recently completed a successful, major upgrade of its human resource and payroll systems, paving the way for future business process cost savings.

David MacKenzie provided the Committee with an update on the activities of the UMass Building Authority. Since 2004, the Building Authority has completed 18 major projects

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totaling \$560 million across the University. Recent developments include the opening last month of a \$5 million Venture Development Center at UMass Boston and the completion of the \$137 million central heating plant at UMass Amherst.

President Wilson and Senior Vice President Gray provided the Committee with a thorough review of the University's multi-year financial strategy with particular emphasis on the FY2010 operating budget. The presentation underscored the able stewardship of the President and Chancellors and their respective teams in crafting strategies that assure the University's ongoing viability in the face of daunting challenges and substantial uncertainty.

The Committee went into executive session to discuss real estate issues.

Trustee Tocco stated that he wants to see a set of objectives and an action plan from the University to look at cuts and ways to save costs in all areas of the system stating his reluctance to vote for another fee increase without further examination. Chairman Manning reported that there will be an opportunity to do this prior to the September Board meeting.

The first action item was **Establishment of the Nancy Donahue Endowed Professorship in the Arts, UMASS Lowell.**

It was moved, seconded and

**VOTED:** In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws, to establish an endowed professorship to advance the study of the arts at the University of Massachusetts Lowell to be known as the Nancy Donahue Endowed Professorship in the Arts. (Doc. T09-030)

The next item was **Amendments to Land and Facilities Use Planning Policy.**

It was moved, seconded and

**VOTED:** To amend the Land and Facilities Use Planning Policy by adding the following language:

**PRIVATE USE**

Any facilities of the campuses that are purchased, constructed, renovated, rehabilitated, improved or otherwise funded by use of funds from a tax-exempt bond issue are subject to limitations as to use by a private party under federal tax law. Private use means the use of such facilities or portions thereof by any individual or entity that is not a state, a political subdivision thereof or integral part of a state or political subdivision thereof, including the federal government and charitable organizations. "Use" can include, but is not limited to, ownership,



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leasing, management or sponsorship of research occurring in a bond-financed facility. Private use may jeopardize the tax-exempt status of the bonds. The Vice Chancellors for Administration and Finance will ensure that the campuses establish procedures to prevent exceeding limitations of such private use of the facilities that are set forth in the tax certificate delivered by the University to the issuer in connection with the issuance of the bonds, including annually informing the issuer of any private use activities in subject facilities. If a campus has any doubt as to the existence of a private use, it will consult with the issuer of the tax exempt bonds and with bond counsel to the issuer regarding the impact of any proposed or existing use of the facilities on the tax-exempt status of the bonds. (Doc. T93-122, as amended)

The next item was **Amendments to Policy on Naming Facilities.**

It was moved, seconded and

**VOTED:** To amend the Policy on Naming Facilities by adding the following language:

The naming of University facilities may constitute private use and thus might be subject to the Land and Facilities Use Planning Policy regarding private use. If a campus has any doubt as to the existence of a private use, it will consult with the issuer of the tax exempt bonds and with bond counsel to the issuer regarding the impact of any proposed or existing use of the facilities on the tax-exempt status of the bonds. (Doc. T93-127, as amended)

The next item was **Amendments to Investment Policy.**

It was moved, seconded and

**VOTED:** To amend the Investment Policy and Guidelines Statement for the Operating Cash Portfolio by making the following amendments:

- Elimination of the Equity and Alternatives Assets classes from the asset allocation.
- Increase Fixed Income allocation from 57% to 62% with a slight reduction in the Intermediate Bond component from 25% to 20% and a slight increase in the Short Duration Bonds from 22% to 32%.
- Increase Cash from 23% to 38%. Cash is defined as short term liquid investments consistent with Institutional Money Market Funds. (Doc. T92-031, Appendix F, as amended)

The next item was **Amendments to Quasi Endowment Policy.** Trustee Reville had requested provisions for a two year limit to the amendment which was added to the vote.

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It was moved, seconded and

**VOTED:** To amend the Quasi Endowment Policy by adding the following language:

The President is authorized to suspend required annual unrestricted operational fund contributions to the quasi-endowment for FY10 and FY11. Such suspensions will be approved only under extraordinary financial circumstances. The President will notify the Trustees whenever such a suspension is authorized. (Doc. T07-018, as amended)

The next item was **FY2010 University Operating Budget.**

It was moved, seconded and

**VOTED:** To approve the FY2010 University Operating Budget as contained in Doc. T09-031 and to approve the statements of trust contained in Appendix A of said Doc. T09-031. (Doc. T09-031)

The next item was **Authorization to Allocate FY2010 State Appropriation.**

It was moved, seconded and

**VOTED:** To direct the President to allocate the amount appropriated for the University in Line Item 7100-0200 of the state appropriation act for fiscal year 2010 to the campuses and the central administration of the University, and to notify the Board of Trustees and the House and Senate Committees on Ways and Means of said allocations. (T09-032)

The next item on the agenda was the **Report of the Committee on Academic and Student Affairs.** Trustee Thomas, Chair of the Committee reported that the Committee had met on May 27<sup>th</sup>.

The item for **Discussion** was **Framework for Excellence, the Flagship Report.** Chancellor Holub presented this report, noting that while this was a framework for excellence moving into the future, there are already many points of excellence on the campus. He then moved through the key elements of the framework, which included faculty, research and creative activity, undergraduate education, graduate education, student life, diversity and facilities and physical plant.

Following Chancellor Holub's presentation, the Board discussed the need for improved development activities and a communications campaign. These issues were addressed by Chancellor Holub earlier in the meeting.

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The first action item was **Appointments to Named Professorships, UMASS Amherst**. This was the appointment of Dr. Victor Lesser as a Distinguished Professor at the University of Massachusetts Amherst and Dr. V. Adrian Parsegian to the Robert L. Gluckstern Professorship of Physics.

Trustee Carlin stated his belief that the Board should be informed if there is a pay increase involved in these appointments.

It was moved, seconded and

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

And further,

To concur with the President in the appointment of Dr. V. Adrian Parsegian to the Robert L. Gluckstern Professorship of Physics. (Doc. T09-022)

The next item was **Appointment of the First Holder of the Nancy Donahue Endowed Professorship in the Arts, UMASS Lowell**. This was the appointment of Dr. Kay Roberts to the Nancy Donahue Endowed Professorship in the Arts. The endowed chair is intended to strengthen and connect music, art and theater programs at the University and in the community.

It was then moved, seconded and

**VOTED:** To concur with the President in the appointment of Professor Kay George Roberts as the first holder of the Nancy Donahue Endowed Professorship in the Arts, contingent on the establishment at the June 3<sup>rd</sup> Committee on Administration and Finance of the Nancy Donahue Endowed Professorship in the Arts. (Doc. T09-026)

The next item was **Revisions to the Code of Student Conduct, UMASS Amherst**. The proposed changes reflect changes in Massachusetts General Law, provide greater clarity and reduce legalistic terminology and are minor in nature.

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It was then moved, seconded and

**VOTED:** To approve the revisions to the Code of Student Conduct at the University of Massachusetts Amherst as contained in Doc.T94-059A, as amended.

The next item was **Revisions to the Faculty Grievance Procedure, UMASS Worcester.** There were 10 changes recommended by the faculty, of which 7 were procedural and the other relatively minor.

It was then moved, seconded and

**VOTED:** To approve the revisions to the Faculty Grievance Procedure at the University of Massachusetts Worcester as contained in Doc. T88-038A, as amended.

The next item was **Establishment of the College of Natural Sciences, Closing of the College of Natural Sciences and Mathematics, Closing of the College of Natural Resources and the Environment, UMASS Amherst.** The reorganization is a response to budget issues but will also have a positive impact on research and faculty hiring.

It was then moved, seconded and

**VOTED:** To approve the establishment of the College of Natural Sciences, the closing of the College of Natural Sciences and Mathematics, and the closing of the College of Natural Resources and the Environment at the University of Massachusetts Amherst. (Doc. T09-039)

The Board received an update on the work of the **Nursing Working Group** as an information item in the mailing. Trustee Pearl indicated that she would like to make a motion that the group provide another report in December and include additional information. Chancellor Collins indicated that the Working Group intended to submit a report in December so no motion was necessary.

The remaining items will be taken up in Executive Session.

The next item was the **Report of the Audit Committee.** Trustee Boyle, Chair of the Committee, reported that the Committee had met on June 3<sup>rd</sup>.

The agenda included a briefing on current audit activities and the Committee discussed and accepted four audit reports and a revised audit plan. The Committee also heard from the external auditors, PricewaterhouseCoopers.

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Mr. Robert Harrison, the Director of Internal Audit referred to the quarterly activity summary of all audit business noting their continuing effort to study each campus Procurement Operation and campus Cash Handling Locations, with reviews on those two subjects started at the Medical School. They are also initiating Information Technology reviews at Boston and Dartmouth, as they are winding down a series of departmental IT audits at Amherst. The office is also monitoring a number of State Auditor's Office and Federal audit agency projects.

Mr. Harrison explained the separate mailing of four documents to Committee members: three that deal with allegations of inappropriate financial activity that were discussed in Executive Session; and a recently published State Auditor's Office report for the Dartmouth Campus. The State Report concentrated on the Information Technology department with notable observations regarding the need for improved controls over computer asset inventorying and tracking, as well as bringing Chapter 647 filings up to date. Mr. Harrison commented that these and other observations were fully discussed with the campus management, along with good action plans to address them, and he was satisfied that the campus recognized the problem areas and is moving forward.

The Committee next heard details on three internal audit reports, an external contracted audit report, and the revision to the Long-range Audit Plan.

These included a **Technology Controls Review at Amherst**, for the **Campus Housing and Residential Life Department; the Internal Audit of Procurement Operations at the Dartmouth Campus**; the **Internal Audit of the Revenue and Cash Receipting Locations on the Boston Campus**; and the **Boston Radio Station WUMB-FM Contracted Audit**. This external review received an unqualified opinion and indicated no control deficiencies or material weaknesses.

The last item was an update to the original **2006 Long-Range Internal Audit Plan**. Mr. Harrison noted that input was solicited from many individuals around the University, all responses were considered, and that this update represents the results of a risk-based evaluation that concentrates our limited audit resources in the most beneficial areas. He also noted that much unplanned work has come up recently, such as five reports of employee financial wrongdoing, which his department gives immediate attention.

The Committee asked Mr. Harrison to place the Campus Purchase Card Programs on an upcoming agenda in order for us to be better informed about the programs. Mr. Harrison mentioned that Senior Vice President Gray will address the Committee at our next meeting on the status of the independent security scans and vulnerability testing of University networks.

The Committee heard from the new PricewaterhouseCoopers engagement partner, Glenn Williams, and his management team, Marcy Culverwell and Lyndsay Signori. They covered the Fiscal Year 2009 audit services plan, discussing areas of focus, the approach they take to audit

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University Financial Statements and our Federal A133 Review, the timeline for these activities, and the current contract fee structure.

The Committee had entered an Executive Session for the purpose of considering audit investigative items that related to personnel issues.

It was then moved, seconded and

**VOTED:** To accept the following Audit reports:

1. Procurement Operations, UMASS Dartmouth (Doc. T09-019)
2. Revenue/Cash Receipting Locations Review, UMASS Boston (Doc. T09-020)
3. Information Technology Controls Reviews, UMASS Amherst Housing and Residence Life (Doc. T09-021)
4. WUMB-FM Financial Statements, Internal Control Report Communications Letter (Doc. T09-007)

And,

**VOTED:** To approve the revisions to the Long-Range Audit Plan as contained in Doc. T06-060, as amended.

The next item was the **Report of the Committee on Science, Technology and Research**. Trustee Pearl, Chair of the Committee first stated that it is her privilege to serve as Chair of this Committee; she reported that the Committee had met on May 27<sup>th</sup>.

President Wilson opened the meeting and set the tone for the discussion with his presentation titled: "Growing the R&D Enterprise in Challenging Economic Times".

There were three recent successes – a \$16 M US Department of Energy grant to Amherst in solar energy, a \$15 M state grant to Dartmouth for a new bio-processing center in Fall River and the opening of the new Venture Development Center at Boston, supported by a \$5 M state grant.

There are several major initiatives in the works across the system that hold the promise of additional funding. It was encouraging to learn that our campuses have in recent months submitted over 300 proposals seeking over \$250 M in federal stimulus funding; many more are in the works.

Lastly, the President noted two record-setting performances: \$435 M in R&D for FY 2008, the largest amount in our history. Over \$41 M in technology licensing income through only 3 quarters of FY 2009. This is also a new annual record that will be improved even further in the fourth quarter when we book \$30 M from Merck for a new license with the Medical School.

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The Committee continued the practice of inviting campus leaders to outline their R&D strategies before the Committee. Chancellors MacCormack and Meehan led teams from Dartmouth and Lowell in presenting overviews of their R&D programs, along with projections and targets for future growth.

The Dartmouth campus emphasized its unique role as the only comprehensive R&D institution in the South Coast, and it highlighted areas of research strength such as marine renewable energy and bio-manufacturing that simultaneously address regional needs while making national and international contributions to new knowledge.

The Lowell campus stressed its special history as a leader in innovation and engine for economic development in the Merrimack Valley. It highlighted areas of strength in nano-manufacturing, sub-millimeter-wave technology and work environment.

Both campuses emphasized inter-disciplinary work, multi-campus collaboration and industrial partnerships as key to their approach for growing R&D. They also both described growth strategies built around targeted faculty hires, new facilities and improved organizational infrastructure. And, lastly, both campuses set forth “stretch” goals of doubling their R&D performance over the next 5 years – from \$20 M to \$40 M at Dartmouth and from \$40 M to \$80 M at Lowell.

Trustees found both presentations to be extremely impressive and reinforced President Wilson’s message that in spite of the current economic situation, the University of Massachusetts is aggressively continuing to grow its R&D enterprise. Even as the University as a whole faces serious fiscal challenges, it is encouraging to see the progress being made and revenues generated in science, technology and research across the UMASS system.

The Committee thanked President Wilson, the Chancellors, faculty and staff for this progress. Vice Chair Karam acknowledged Vice President Chmura for his success with the R&D initiatives.

The next item under **Other Business** was **Department of Defense**.

It was then moved, seconded and

**VOTED:** WHEREAS, current Department of Defense Regulations contain a provision making it mandatory that the Chairman of the Board, the President, the Secretary, and the designated Facility Security Officer meet the personnel clearance requirements established for a contractor's facility clearance; and

WHEREAS, said Department of Defense Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Trustees and other officers, provided that this action is recorded in the minutes.

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NOW, THEREFORE, BE IT DECLARED that the Chairman of the Board, the President, the Secretary and the designated Facility Security Officer at the present time do possess, or will be processed for, the required security clearance; and

BE IT RESOLVED that in the future, when any individual enters upon any duties as Chairman of the Board, the President, the Secretary or the designated Facility Security Officer, such individual shall immediately make application for the required security clearance; and

BE IT RESOLVED FURTHER that the following members of the Board of Trustees and other officers shall not have, and can be effectively excluded from access to all classified information in the possession of the corporation and do not occupy positions that would enable them to affect adversely policies or practices in the performance of classified contracts for the Department of Defense or the User Agencies of its Industrial Security Program:

<u>NAME</u>	<u>TITLE</u>
Lawrence F. Boyle	Trustee
Jennifer C. Braceras	Trustee
Matthew E. Carlin	Trustee
Edward W. Collins, Jr.	Trustee
John A. DiBiaggio	Trustee
Kristin D. Gerson	Trustee
Philip W. Johnston	Trustee
James J. Karam	Trustee
Ruben J. King-Shaw, Jr.	Trustee
David Koffman	Trustee
Aleksandar Kulenovic	Trustee
Richard J. Lawton	Trustee
Kenneth A. MacAfee, II	Trustee
Kerri Osterhaus-Houle	Trustee
Janet D. Pearl	Trustee
Paul Reville	Trustee
Henry M. Thomas, III	Trustee
Stephen P. Tocco	Trustee

(Doc. T09-038)

Chairman Manning congratulated and thanked the Chancellors for tackling the many challenges that face the campuses during these difficult economic times. He offered the Board's support and help. There was a round of applause.



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Trustee Kulenovic then thanked the Board for their support over the last three years and asked the Trustees to consider the financial model (affordability), the University's public service mission and to listen to the students.

There was a round of applause.

Chairman Manning then announced the Board would enter **Executive Session** to consider **Appointments with Tenure, UMASS Amherst, Dartmouth, Lowell, Worcester** and **Awards of Tenure, UMASS Amherst, Boston, Dartmouth, Lowell, 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 **Appointments with Tenure, UMASS Amherst, Dartmouth, Lowell, Worcester** and **Awards of Tenure, UMASS Amherst, Boston, Dartmouth, Lowell, Worcester**.

Chairman Manning voted for the motion as did Vice Chairs Karam and King-Shaw; and Trustees Boyle, Braceras, DiBiaggio, Johnston, Kulenovic, Lawton, MacAfee, Osterhaus-Houle, Pearl, Reville, Thomas and Tocco.

The time was 11:04 a.m.

Barbara F. DeVico  
Secretary to the Board of Trustees