

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

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

Wednesday September 30, 2009; 9:00 a.m.

**Massachusetts Room
University of Massachusetts
Mullins Center
Amherst, Massachusetts**

Trustees Present: Chairman Manning; Vice Chair Karam; Trustees Bloch, Boyle, Braceras, Collins, DeSisto, DiBiaggio, Hoyt, Johnston, Koffman, Lawton, MacAfee, Osterhaus-Houle, Pearl, Reville, Thomas and Young

Trustees Absent: Trustees King-Shaw, Peters and Tocco

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

Faculty Representatives: Professors Adrion and May, UMass Amherst; Professor Tirrell; UMass Boston; Ms. Gibbs, UMass Dartmouth; Professor Carter, UMass Lowell

Guest: Mr. Randall Phillis, President, Massachusetts Society of Professors

Chairman Manning convened the meeting at 9:07 a.m. and thanked Chancellor Holub and his staff for hosting today's meeting.

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 June 10, 2009 meeting of the Board.

Chairman Manning introduced the new Student Trustees: Emily Bloch from Amherst, Tara DeSisto from Boston, Matt Hoyt from Dartmouth, Jim Young from Worcester; David Koffman from Lowell has been re-elected for a second term.

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He then announced that Vice Chair Karam has been re-elected for another term. Trustee Matt Carlin's term has ended and he has been replaced by Norman Peters who could not be here today. He thanked Matt for his contributions to this Board and to the University.

The next item was the **Secretary's Report**. Trustee Reville, Secretary of Education, congratulated Trustee Karam for his reappointment and stated that Norman Peters will be a welcome addition to this Board. He then reported on a recent Retreat with the Chairs of the Board of Higher Education that tackled the many challenges with college readiness, early education, improving teaching standards, teacher preparation and literacy issues.

The revenue situation continues to present challenges. There may be a need to use stimulus funds; the FY11 budget may prove to be even more challenging.

Trustee Bloch then gave the **Student Trustee Report, UMass Amherst** and welcomed everyone to the Amherst campus. She reported on the investment in the University which is connected to the public schools and the Massachusetts work force. We are now presented with three choices: reinvest in our public institutions, privatize or let public institutions suffer. The University must find additional revenue sources. She looked forward to working with the Trustees providing quality education to this institution.

Mr. Randall Phillis, President, Massachusetts Society of Professors and Professor in the Biology Department reported on today's innovative styles of teaching. He urged Trustees to tour the campus and visit the new Integrated Science Building, the new Arts Building and Fitness Center. He encouraged them to speak to faculty, students and staff. They are proud of their efforts on campus but concerned about the future.

We are now at a crossing point – we need to shift state support to students and their families and define what is a public University. There should also be a discussion about the size and quality of the faculty and staff. Several years ago there was a plan to increase the faculty on the Amherst campus to 250; the actual number turned out to be 57. We are asking for more students, more research and service with less resources. We must retain the best and brightest faculty or risk losing them to other institutions.

Under the **Chair's Report**, Chairman Manning acknowledged Professor Phillis' excellent report. He then discussed the Budget Oversight Task Force's visits to the campuses this summer and some of the findings. He thanked the members of the Task Force and the Chancellors and their staff members for their presentations and their response to the questions that were posed by the Task Force members. We expect a final Task Force Report prepared for the Board in the early Spring with some recommendations of how we should proceed on many of the issues.

Chairman Manning then summarized some of the key elements that will help us move forward. The state appropriation continues to decline; the Board needs to examine tuition and fee structures and suggested the possibility of charging students more for degrees in fields such

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as engineering and nursing and less for the liberal arts. Levying higher fees for students accepted to the Commonwealth College honors program and the flagship campus in Amherst compared to students who attend the other campuses was also suggested.

Chairman Manning agreed with Professor Phillis, we need to invest in our faculty, the heart and soul of what this institution is all about. The Chancellors have done a great job cutting costs but we have gone far enough. We need to look at efficiencies including combining colleges and reviewing athletic programs.

He also proposed that the University provide financial aid to students who need it and added the need to move to a high fee, high aid model; growth in admissions is the way out of this problem and we cannot do business as usual in the future.

The next item was the **President's Report**. President Wilson began by thanking Chancellor Holub and his staff for being such gracious hosts to us here on our flagship campus. He commended Chancellor Holub for providing wise and effective leadership during his first year on campus which coincided with one of the most difficult periods in the history of our economy. Despite the challenges he faced, he had plenty of good news and progress to share in his report.

The Chancellors at each of the five campuses have worked diligently to find the opportunities in our economic crisis and they are to be commended for their efforts. He then acknowledged the Chancellors for their work on behalf of the University. We have all made difficult decisions and we have all worked hard to compete for resources to build greater excellence in our education and research programs.

President Wilson also thanked the Trustees for giving generously of their time and counsel to support our students and the Chancellors and their faculty and staff as they work each day to discover new knowledge and educate the almost 65,000 students who we serve across our five campuses.

He then welcomed the four new student Trustees and congratulated Trustee Koffman on his re-election and thanked them for their willingness to serve the University in this important way.

Despite the uncertain pace of our economic recovery and the backdrop of a rocky economy, the University of Massachusetts has every reason to be proud and optimistic about the future. The fundamental mission of the University is not altered by economic circumstances.

We should take pride in the fact that the University concluded the 2009 fiscal year with its finances in order, which is 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.

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By living within our means and taking proactive measures to ensure balance in the future, we are uniquely positioned to help the Commonwealth out of recession. In order to do this, we must work to increase revenue over the next several months or we will be facing a budget deficit of \$118 million in the next fiscal year. We were able to avoid this shortfall this year through a combination of budget reductions and with a significant inflow of federal ARRA funds to backfill the shortfall we would have experienced last year and support our budget in this fiscal year. Unfortunately, those funds are unlikely to be available for FY2011 and we must spend much of this year preparing for that eventuality.

Just last week, we had a series of meetings with Union leaders from all of our campuses and with our Trustee faculty representatives. In order to close the projected gap in FY11, we will need to find additional Stimulus money, restore the appropriation to \$492 million, increase other revenues, and cut expenses.

In early August, we announced that as long as we are able to maintain our current level of funding for this year, in-state, undergraduate students whose fees are not supported already with financial aid will receive a fee rebate during the upcoming academic year. This rebate was made possible by the Administration's dedication of federal stimulus funds to the University—and the Legislature's efforts to provide the University with as much appropriation support as was possible within an extremely tight state budget. If we are able to maintain our current level of funding, we will be able to hold this year's fee increase for in-state undergraduates to a cost-of-living level of \$400.

We are pleased to be able to provide our students and their families with this rebate, especially in these challenging economic times and we thank Governor Patrick, Senate President Murray and Speaker DeLeo for their hard work on this issue.

Across our five campuses, we have enrolled the best qualified and largest classes of students in the University's history. Last year we enrolled just over 63,000 students. This year, preliminary reports of numbers enrolled approach 65,000.

In July, the University system was awarded a \$124,200 grant from the Alfred P. Sloan Foundation to develop up to ten life science Professional Science Master (PSM) degree programs across our five campuses. UMass intends to develop PSM degrees in areas critical to the Massachusetts innovation economy such as health informatics, biotechnology, and environmental science. This effort will be spearheaded by a system-wide steering committee with UMass Lowell Provost Ahmed Abdelal at the helm.

In spite of serious fiscal challenges – the University's research and technology commercialization efforts continue to thrive. The University's income from licensing its intellectual property climbed to \$73 million during Fiscal Year 2009. We expect that this will place us within the top ten US universities in technology commercialization.

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In addition, UMass researchers have already been awarded \$47 million in grant funding under the federal (ARRA) American Recovery and Reinvestment Act, with more awards expected to come in the weeks ahead.

The University of Massachusetts Medical School has received funding from the National Institute of Allergy and Infectious Diseases (NIAID) totaling \$18 million to pursue research and development of a vaccine to prevent infection with (HIV), the virus that causes AIDS. Shan Lu, MD, PhD, Professor of Medicine and Biochemistry and Molecular Pharmacology whose work has focused on novel vaccine development, will be the lead investigator.

Fundraising performance across the five campuses in FY09 was remarkably good considering the economy. The five campuses raised a combined total of \$88.5 million. Their combined goal for FY10 is an ambitious \$96 million.

President Wilson commended the Chancellors, Vice Chancellors, and their teams for their hard work and dedication and thanked the many alumni and friends of UMass who continue to include the University among their philanthropic priorities.

The UMass Foundation Investment Committee, the majority of whom are UMass alumni, have worked tirelessly to protect our endowment and we owe them a debt of gratitude for their efforts—especially in these very tough markets. As of the end of the 2009 Fiscal Year, the investment performance on our endowment stood at -15.05 percent. This is far from what the Investment Committee aspires to achieve for their University; this performance puts UMass in the top quartile for performance over the last year of those endowments reporting through the Mellon and Wilshire reports on endowments and foundations.

Last week, we had a fantastic night at Gillette Stadium for UMass Night at U2, which – through the generosity of the Patriots Foundation and the Kraft family and the 1600 alumni who attended—helped the University to raise a scholarship fund of \$100,000. The event received corporate sponsorship from SBLI and Bank of America in addition to support from the Patriots Foundation. We hope that these partnerships will continue to grow.

President Wilson concluded his report by thanking Matt Carlin for his service to the University.

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 September 25th. The Committee's focus continues to center on the financial well-being of the University in view of ongoing economic challenges.

He commented on initial signs of national economic recovery, while cautioning that unemployment rates are still on the rise, meaning that a rebound in state tax revenues is not

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likely to occur any time soon. This will keep the pressure on the University in the current fiscal year and into FY11.

President Wilson in his report advised that the University had worked effectively with Secretary Reville and the Administration to secure an additional \$39.8 million in Federal Stimulus funding, enabling the University to partially restore funding of the line item appropriations and to maintain its pledge to rebate a substantial portion of the fee increase. The President noted that the projected funding gap for FY11 is \$118.6 million and he outlined alternatives for closing this gap that will need to be considered over the coming months.

Senior Vice President Gray apprised the Committee of the credit rating meetings being held with Moody's and Standard & Poor's in support of the University's Capital Plan and upcoming bond issue. He also noted the extraordinary effort being extended by campus financial aid and business offices in processing the fee rebate made possible by the federal Stimulus funds.

Chairman Manning provided a report of the activities of the Budget Oversight Task Force. Noting the trend of legislative disinvestment in public higher education, he called for consideration of a change in the University's revenue model to a high fee/high aid approach with differential pricing. He also mentioned the need to grow enrollment, add faculty, and improve infrastructure. More on the Task Force's work will be forthcoming at future meetings.

Mr. MacKenzie reported on the activities of the UMass Building Authority. He outlined the current interest rate environment which is extremely favorable for the Building Authority's planned October debt issue.

President Wilson and the Chancellors provided the Committee with an update on the budget. Noting the proactive decisions that had been made to date, the President reminded everyone of the large FY11 funding gap and the expectation that Federal stimulus funds will not be available to close any significant part of the gap. The campuses will need to grow other revenue streams and continue to make painful cuts to keep their budgets in balance.

The first item for action was **University Debt Policy**. Vice Chair Karam reported on an amendment to the Policy that would set the maximum percentage for the Debt Burden Ratio to 8% for the University and the campuses, and to require a Board vote for any individual campus to exceed 8% but not to exceed 10%.

It was moved, seconded and

VOTED: To approve a University Debt Policy. (Doc. T09-050)

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The next item was **FY2010-2014 Capital Plan**.

It was moved, seconded and

VOTED: Pursuant to Trustee policy T93-122, to approve the following new capital projects:

**Cost
Estimate
Aug-09**

Amherst Campus

New Science Building Fit-out	\$44,000,000
Facility Demolitions	\$20,000,000
Totman addition for Kinesiology (NIH)	\$16,000,000
Totman renovations for Kinesiology (NIH)	\$13,500,000
LGRC Faculty Renovations (NIH)	\$11,761,000
Tennis Court Enclosure	\$10,400,000
Marks Meadow Renovations	\$10,000,000
Hasbrouck Renovations (NIH)	\$10,000,000
Morrill I Vivarium (NIH)	\$6,000,000
LGRC Window Replacement	\$6,000,000
Waltham & Glouster renovations	\$5,000,000
Property Acquisitions	\$2,000,000
Coal Yard Decommission	\$2,000,000
Electric Distribution Upgrade	\$2,000,000
Chenoweth Food Science Phase II	\$2,000,000
Solar Panels	\$2,000,000
Energy Efficiency Equipment Installations	\$1,500,000
Marcus Upgrade and Relocate Electrical Power	\$1,400,000
Wayfinding and Signage	\$1,000,000
<i>subtotal Amherst</i>	\$166,561,000

Boston Campus

Master Plan Phase I: Purchase of Expansion/Swing Space	\$25,000,000
Replace Primary Electrical Switchgear in the Utility Plant	\$2,500,000
<i>subtotal Boston</i>	\$27,500,000

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Dartmouth campus

Campus Entrance Building	\$45,000,000
Student Lab Program Enhancements	\$4,000,000
Replace Failed HVAC Systems	\$3,500,000
Re-roof Four Oldest Residence Halls	\$1,900,000
<i>subtotal Dartmouth</i>	\$54,400,000

Lowell campus

Net Asset value (NAV) Support	\$90,000,000
800 Additional Residence Hall Beds	\$90,000,000
Academic & ongoing modernization	\$54,250,000
Residential Hall Renewal Program/Dining & Bookstore Replacement-- 2011	\$50,000,000
ESCO	\$40,000,000
Capital renewal/deferred maintenance	\$39,300,000
North & South Powerplant Cogen conversion	\$15,000,000
Energy Improvements	\$10,000,000
Compliance	\$6,000,000
<i>subtotal Lowell</i>	\$394,550,000

Medical School

Construct the ATC Clinical Development Center (cGMP)	\$10,000,000
South Street Deferred Maintenance	\$7,500,000
Renovate Labs to Offices in Basic Wing - Backfill Project	\$4,000,000
Medical School Building Retro-Commissioning and LEED EB	\$3,000,000
Purchase and Renovation of Biotech 4	\$24,000,000
Century Drive - Install Emergency Generator	\$800,000
Century Drive - Replace Roof Top Units	\$700,000
<i>subtotal Medical School</i>	\$50,000,000

<i>Total all new projects</i>	\$693,011,000
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And further,

To approve the following revised project cost estimates for previously approved capital projects:

Project Name	Initial TPC	Revised TPC
Boston Campus		
Healey Library Fire Protection	\$5,100,000	\$7,000,000
Dartmouth Campus		
Library Renovations	\$18,000,000	\$44,000,000
Biomanufacturing Building	\$10,000,000	\$15,000,000
Energy/Water Savings Project	\$4,800,000	\$14,560,000
Medical School		
Power Plant Expansion	\$35,000,000	\$42,000,000
Class Size Increase	\$4,000,000	\$8,000,000
Mattapan, R&D and Office Building	\$50,000,000	\$69,000,000

And further,

To approve the FY2010 to FY2014 University Capital Plan as described in Doc. T09-051.

And further,

With respect to any or all of the projects identified in the said University Capital Plan as described in Doc. T09-051, to authorize the President of the University and such other officers of the University as he may designate (the President and each such other officer referred to herein as an "Authorized Officer"), each acting singly, in the name and on behalf of the trustees, the University or the Commonwealth, as appropriate, (a) to effectuate the financing of one or more or all of such projects by such means as such Authorized Officer shall deem advisable, including without limitation by requesting in writing the University of Massachusetts Building Authority, the Massachusetts Health and Educational

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Facilities Authority, the Massachusetts Development Finance Agency or any other statutorily qualified issuer in the Commonwealth to issue debt therefor, or to request the Worcester City Campus Corporation to effectuate the financing thereof through any such issuer of debt, so long as the estimated total project cost does not exceed the estimated total project cost listed in Doc. T09-051 by more than 20% (exclusive of capitalized interest, debt service reserve funds, cost of issuance of the obligations, costs of bond insurance or other credit enhancement and other cost of the financing), and, (b) in connection with any such financing, to take such actions (including without limitation the execution of the guaranty of the Commonwealth on any obligation guaranteed by the Commonwealth), secure such governmental approvals, execute such agreements (including without limitation contracts for financial assistance, management and services, contracts for management and services or leases or subleases) containing such provisions and provide for such terms and sources of repayment, all as such Authorized Officer shall deem advisable and as may be required or permitted by law, including without limitation St. 1960, c. 773, §_19A, as amended, and St. 1992, c. 138, §_15A, as inserted by St. 2000, c. 159, §_303. (Doc. T09-051)

The next item was **Resolution Authorizing Requests for Initiation by University of Massachusetts Building Authority of University Projects and Related Matters.**

It was moved, seconded and

VOTED: WHEREAS, the University of Massachusetts Building Authority is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the “Commonwealth”) created to aid and contribute to the performance of the education and other purposes of the University of Massachusetts (the “University”) by providing dormitories, dining commons and other buildings and structures for the use of the University, its students, staff and their dependents and for lease to or use by an organization or association, in any form, of students or others the activities of which are a part of the activities at the University and subject to regulation by the Board of Trustees of the University (the “Trustees”);

WHEREAS, pursuant to the Building Authority’s enabling act, the Building Authority may issue bonds to finance projects undertaken by the Building Authority at the request of the Trustees, or, with the approval of the Trustees, issue refunding bonds, all of which bonds are secured, in part, by revenues from the Building Authority, the University and the Commonwealth, as authorized by the Trustees on behalf of the University and the Commonwealth;

WHEREAS, in the judgment of the Trustees it is in the best interests of the University, its students, staff and their dependents and said organizations that the

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Building Authority undertake projects and finance such projects as described below;

WHEREAS, in the judgment of the Trustees it is in the best interest of the University for the Building Authority to refund bonds when market conditions are favorable; and

WHEREAS, the Building Authority's enabling act authorizes the Trustees, on behalf of the Commonwealth, to provide a Commonwealth guaranty of not to exceed \$200,000,000 outstanding principal amount of Building Authority Bonds;

NOW, THEREFORE,

1. Each of the President and the Senior Vice President for Administration, Finance and Technology and Treasurer of the University, acting alone, be and each, acting alone, (each, an "Authorized Officer") hereby is authorized in the name and on behalf of the Trustees to make a written request of the Building Authority that the Building Authority initiate and undertake:

(a) Any or all of the projects set forth in the University of Massachusetts FY2010 to 2014 University Capital Plan (Trustee Document T09-051); and

(b) Any other construction of or respecting or renovation, repair, remodeling or other work in or upon or respecting any building or structure owned or used by the University or the Building Authority, or the provision, installation, renovation, repair or remodeling of or other work upon or respecting any furnishings, furniture, machinery, equipment or facilities with respect to any such building or structure, all as may be requested of the Building Authority in writing from time to time by an Authorized Officer, the making of any such request being hereby authorized.

2. The projects to be initiated by the Building Authority in accordance with any request authorized to be made in Section 1 of this resolution may in the discretion of the Building Authority be undertaken separately or together for financing purposes.

3. The issuance of refunding bonds by the Building Authority is hereby approved, in such amount and on such terms as shall be approved in writing by an Authorized Officer.

4. Each Authorized Officer hereby is authorized to execute and deliver on behalf of the University and the Commonwealth one or more contracts for financial assistance, management and services with respect to the projects financed or

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refinanced by the Building Authority and the Building Authority bonds issued in connection therewith, including any refunding bonds. Each such contract may include the Commonwealth guaranty of all or a portion of such bonds, as determined by an Authorized Officer and within the limits prescribed by the Building Authority's enabling act.

5. Each Authorized Officer is hereby authorized to take such other action as deemed necessary or desirable to be done or taken to effectuate the matters hereby authorized, as conclusively evidenced by their doing the things or taking the action hereby authorized. (Doc. T09-052)

The next item was **Endowed Chair, UMass Amherst.**

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 chair in the Isenberg School of Management at the University of Massachusetts Amherst to be known as the Dean Thomas O'Brien Endowed Chair. (Doc. T09-053)

The next item was **Amendments to Grants and Contracts Policy.**

It was moved, seconded and

VOTED: To amend the Grants and Contracts Policy to enable the use of electronic signatures and related technological efficiencies. (Doc. T94-034)

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 September 17th and had a discussion item, three action items, an information item and three items for Executive Session, Tenure Appointments, Awards, and Transfers; and Honorary Degree nominations.

The first item for action was **Appointments to Named Professorships, UMass Amherst.** Provost Staros commented on the appointment of Professor William L. Mitchell to the Alpha Tau Gamma Fred P. Jeffrey Professorship and Directorship of the Stockbridge School of Agriculture, UMass Amherst and the appointment of Dr. Christopher Donovan Salthouse to the Dev and Linda Gupta Professorship on Electrical and Computer Engineering, UMass Amherst.

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It was moved, seconded and

VOTED: To concur with the President in the appointment of Professor William L. Mitchell to the Alpha Tau Gamma Fred P. Jeffrey Professorship and Directorship of the Stockbridge School of Agriculture at the University of Massachusetts Amherst.

And further,

To concur with the President in the appointment of Dr. Christopher Donovan Salthouse to the Dev and Linda Gupta Professorship in Electrical and Computer Engineering at the University of Massachusetts Amherst. (Doc. T09-043)

The next action item was the **Appointment of Dr. Mark A. Fuller as the First Holder of the Dean Thomas O'Brien Endowed Chair, Isenberg School of Management, UMass Amherst.**

It was moved, seconded and

VOTED: To concur with the President in the appointment of Professor Mark A. Fuller as the first holder of the Dean Thomas O'Brien Endowed Chair, Isenberg School of Management. (Doc. T09-044)

The third action item was the approval of the **Revisions to the Code of Student Conduct and Alcohol/Drug Policy at UMass Lowell.** The revisions to the Policy were made to ensure that the University and the campus codes are in agreement.

It was moved, seconded and

VOTED: To approve the revisions to the Student Conduct Code and Discipline Process Alcohol/Drug Policy at the University of Massachusetts Lowell as contained in Doc. T93-116, as amended.

The item for Discussion 'Unlocking Doorways to Understanding' was led by Professor Padraig O'Malley, the John Moakley Professor of Peace and Reconciliation at UMass Boston's McCormack Graduate School of Policy Studies. Last December, Professor O'Malley received the 23rd Liberal International Freedom Award in Brussels at the European Parliament. The award recognized Professor O'Malley's outstanding contribution in support of peace and democracy throughout the world. Many of the 22 past recipients subsequently received the Nobel Prize for Peace. On the panel with Professor O'Malley were Olesia Plokhii, Jeffrey Range and Pat Peterson, all former or current students at UMass Boston.

Professor O'Malley's work has been with the people of deeply divided societies to help them understand and reconcile their grievances. The unique strategy he has designed to accomplish

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this feat of reconciliation involves using as facilitators those who have suffered from similar brutal divisions—for example, taking leaders from Northern Ireland and South Africa to work with the Iraqis.

Professor O'Malley has played a crucial role in negotiating talks for a political reconciliation in Iraq by bringing the Sunni, Shia, and Kurd factions together for discussions with veteran peace negotiators from Northern Ireland and South Africa. There were two rounds of secret meetings in Helsinki as well as a third round in Baghdad, which culminated with the signing of the Helsinki II Agreement in July of last year.

The panel presentation was a demonstration of the remarkable work done by the faculty of the University and the opportunities offered to students as part of their educational experience.

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 September 25th. He first reported on the promotion of Mr. Harrison from Director of Internal Auditing to Associate Vice President for Auditing.

The agenda included a briefing on audit activities in place around the University, hearing presentations on the subjects of IT Security and Purchase Credit Cards, a discussion and acceptance of two audit reports which we are recommending for Board acceptance. The meeting concluded in Executive Session.

Guests included our PricewaterhouseCoopers engagement manager Marcy Culverwell and Medical School Procard Administrator Bonnie-Anne Mathias.

Mr. Harrison informed the Committee of a required State Comptroller conference call to confirm the annual financial report status, and noted all Committee members will be notified of the date and details. This is a formal step in the annual audit process and will at a minimum include the PwC Partner Mr. Williams, Controller Wilda, and Senior Vice President Gray.

Mr. Harrison then referred to the quarterly activity summary of all audit business. He noted all required external contracted audits are in place and on schedule, and that our next Committee meeting will be primarily covering the PricewaterhouseCoopers reports on the University financial statements and the federal audit. The level of federal and state audit activity has slowed during 2009 with a number of projects closed; and the State Audit Office IT review at Lowell was just received this week and will be provided to the Committee after final discussions with campus management. The summary also reflected a number of unplanned, demand items that the department is now involved in, with all receiving immediate attention.

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He also noted their continuing effort to study each campus Procurement Operation and Cash Handling Locations, along with IT departmental reviews for areas that have self-managed systems.

The department also initiated a follow-up review of the 2006 Disaster Recovery/Business Continuity Planning audit and expects to offer the Committee a summary and current status report on the progress of this important subject. The department now has Trustee-approved Long-range Audit Plan subjects under review at each campus.

Mr. Harrison explained the separate mailing of five documents to the Committee members, four that deal with Personnel and Employee Disciplinary Matters and Pending Litigation, and a published State Auditor's Office report for the Boston Campus. The State Audit team reviewed a number of areas on campus during late 2006 through mid-2008. The report was summarized noting that all State comments resulted in good campus action plan responses.

A copy of a newly published Audit Newsletter was provided, the circulation which is to all University employees.

Senior Vice President David Gray then made a presentation on his initiative regarding Information Technology Security Assessments. This collaborative effort, under Senior Vice President Gray's leadership, included the University's Security Cabinet, the CIO Council, and Internal Audit. His presentation highlighted the results of a System-wide security vulnerability assessment, and included a summary of key information technology security risks, recommendations, initiatives taken already, and areas requiring further attention.

The Committee also heard details on two internal audit reports. These included a technology controls review at UMass Amherst for the campus Auxiliary Services area, and it was noted that this is the seventh Amherst department with such a detailed review. The audit plan for departmental IT reviews is now moving on to other campuses. The second audit report was on the Procurement Operations at the Worcester Medical School. The Committee was told there were no major weaknesses in internal controls, but the operation was offered several suggestions for improvement, all of which were accepted by management. Mr. Harrison made a note of recognition, that the Medical School Purchasing Department developed some sophisticated business best practices that have been shared with other campuses.

Mr. Harrison then made a presentation on the Purchase Credit Card Programs. The presentation included a background and history of the program, some facts and figures as to spending volume and number of active cardholders, the independent audit coverage history, and the various internal controls inherent in that program. He was assisted by Bonnie Mathias of the Medical School.

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The Committee then entered into Executive Session for the purpose of considering audit investigative items that related to Personnel and Employee Disciplinary Matters and Pending Litigation.

It was then moved, seconded and

VOTED: To accept the following Audit reports:

1. Procurement Operations, UMass Medical School (Doc. T09-041)
2. Information Technology Controls Reviews, UMass Amherst Auxiliary Services (Doc. T09-040)

The next item was the **Report of the Advancement Committee**. Trustee Lawton, Chair of the Committee, reported that the Committee had met on September 17th. As President Wilson indicated in his report, fundraising for the FY09 year was remarkably good—especially given the volatile markets. The Investment Committee of the Foundation also continued to turn in superior results outperforming other endowments by better than 5% on average for the year and placing the University in the top quartile of performers for the year.

The campuses have set a combined goal of \$96.6M for fiscal year 2010 and we look forward to hearing of their progress towards achieving this ambitious goal. Getting to ambitious results, whether we are talking about fundraising or investments results, requires deeper engagement with our alumni, parents, and friends and we have several efforts underway to get more people more deeply engaged with the University.

The shared online community, Network UMass, continues to register members and was the channel through which we were able to promote UMass at U2 so effectively and quickly. The campuses continue to work together on joint regional alumni events.

Trustee Lawton witnessed firsthand the energy of UMass at the U2 event and the excitement of the 1600 young alumni who attended.

Several One Day UMass events will be held that will bring some of our most prominent and accomplished faculty members to regions where we have large cohorts of alumni. Each campus has identified at least one faculty member to deliver a mini-lecture on issues related to health, the economy, and culture. The events were well-attended in Florida last year and we hope to see this kind of programming that engages our alumni with the mission and current work of the University expand to create a greater sense of connectedness among alumni, parents and friends of the University.

Trustee Lawton attended a joint professional development in-service day facilitated by Vice President Smith's team last week. The topics and flow of the day were collaboratively

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developed by the President's Office and input from the Vice Chancellors in both the communications and Advancement groups.

The CRM—UTS staff continues to work with colleagues at each of the five campuses to begin their upgrades or conversions. UMass Worcester went live earlier this month and UMass Lowell is scheduled to go live in about 8 months.

Trustee Lawton reiterated President Wilson's praise of and thanks to the Chancellors, Vice Chancellors and their teams for their diligent effort and continued progress in this difficult economic environment and looks forward to hearing reports of their progress over the course of the coming months.

He then noted that Roy Zuckerberg will be stepping down as Chair of the Investment Committee later this year and entered a proclamation by the Board of Trustees in his honor. It is noteworthy that among Mr. Zuckerberg's many contributions is a very deep bench of investment professionals that comprise the Committee.

It was then moved, seconded and

VOTED: WHEREAS, December 24, 2009 is celebrated in honor of Roy J. Zuckerberg "The Father of the Investment Committee of the University of Massachusetts Foundation" to acknowledge the many contributions he made on behalf of the Investment Committee, the University of Massachusetts Foundation, and his beloved Alma Mater, the University of Massachusetts.

WHEREAS, Roy J. Zuckerberg by his example has clearly defined what it means to be an alumnus of the University of Massachusetts and through his actions has exemplified the meaning of the words, ideals, devotion and love of Alma Mater.

WHEREAS, Roy J. Zuckerberg came from New York to the Lowell Technological Institute in the Fall of 1954 to study textiles and to spin his magic on the hardwood and graduated from that fine institution in 1958. He served his country in the United States Army following graduation. Following his honorable discharge, he pursued his professional career in investments and a legend was born.

WHEREAS, Roy J. Zuckerberg joined the firm of Goldman Sachs in 1967 in securities sales, and over the next 30 years carved out a career that would give him great personal and professional reward. He rose to Vice Chairman in 1997, became a member of its Executive Committee and head of its Equities Division.

WHEREAS, Roy J. Zuckerberg during his distinguished career lived by his rules of civility and set a high moral tone in all of his business dealings. His honesty,

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integrity and loyalty made him one of the most beloved and respected members of Goldman Sachs and the entire investment industry.

WHEREAS, Roy J. Zuckerberg worked tirelessly in his professional pursuits, he was a devoted philanthropist. He gave much of his precious time to his community. He served as Trustee of the American Red Cross in Greater New York. He served as a Trustee of Cold Spring Harbor Laboratory. He is past Chairman of the Securities Industry Association and is the former Chairman and currently a member of the Executive Committee of the North Shore-Long Island Jewish Health System. He was also a member of the Board of Governors of the Weizmann Institute of Science and current Chairman of the Ben Gurion of the Negev University.

WHEREAS, in the early 1990's Roy J. Zuckerberg began to invest his intellect, passion, financial resources and energy to the cause of his Alma Mater the University of Massachusetts Lowell. In 1998, he became a member of the Board of Directors of the University of Massachusetts Foundation and Chair of its Investment Committee. Through his strength and wisdom, he guided the Investment Committee to a new level of professionalism and commitment and to consistent outstanding performance. He has laid an excellent foundation for further growth and performance in the University's endowment for the benefit of future generations of UMass students and faculty.

WHEREAS, the University of Massachusetts has honored Roy J. Zuckerberg with several awards and honors including but not limited to the Distinguished Alumni Award from the University of Massachusetts Lowell in 1994, an Honorary Doctorate of Humane Letters from the University of Massachusetts Lowell in 1999, and the President's Medal, the University's highest award, at Symphony Hall Boston in 2002, none of these awards are sufficient thanks for the enormous contribution that Roy J. Zuckerberg has made to the University of Massachusetts Foundation and the University of Massachusetts.

WHEREAS, Roy J. Zuckerberg will now move on to the next phase of his distinguished life, we the members of the Board of Trustees of the University of Massachusetts want him to know that Roy J. Zuckerberg will forever be remembered as a colleague, friend and mentor by all who have served or had contact with him and we ask that he keep the University, the Foundation and the numerous students, faculty and staff of the University of Massachusetts whom he has touched in his heart as he moves to his next challenge.

NOW THEREFORE, the Board of Trustees of the University of Massachusetts do hereby encourage all students, faculty, staff, board members and alumni of the

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University of Massachusetts to acknowledge the contributions of this great alumnus. (Doc. T09-064)

The next item was the **Report of the Committee on Science, Technology and Research**. Trustee Pearl, Chair of the Committee, reported that the Committee had met on September 17th and had another very productive meeting. Two new student Trustee members and three new research officers were welcomed to the Committee. We heard about some significant success with our R&D and technology commercialization initiatives and learned about exciting work being done by UMass Medical School at the new stem cell bank and registry.

President Wilson opened the meeting with a strategic overview of the changing environment for R&D – highlighting the challenges and opportunities facing the University. The state is facing a difficult fiscal situation that limits the availability of resources for the University and the state’s new science and technology programs (e.g., life sciences). Nevertheless, the University has done extremely well in recent months, securing \$90M of state capital funds for the Albie Sherman R&D Center at UMass Medical and almost \$2M in life science and clean energy grants across the system.

At the same time, the President identified the federal economic stimulus bill and expanding federal R&D budgets as targets of opportunity. He also highlighted new opportunities for inter-university and industry collaboration, as exemplified by collaborative planning underway with MIT and others for a High Performance Computing Initiative in Holyoke.

Lastly, the President noted our record-setting performance in technology commercialization. UMass generated over \$70M during FY09, primarily due to the efforts of the Medical School and a blockbuster agreement with Merck. We expect this performance will rank us among the top 10 universities in the nation.

Dr. Gary Stein, Interim Director of the Center of Stem Cell Biology and Regenerative Medicine at the Medical School, led a team of presenters who updated us on developments at the Stem Cell Bank and Registry.

He highlighted the three principal elements of the Medical School’s work that have been supported with over \$8M in funding from the Mass Life Sciences Center. The first element is an international stem cell registry which is a comprehensive data-base that provides researchers world-wide with “one-stop shopping” on stem cell lines.

The second element is the stem cell bank which provides both academic and industrial researchers with human embryonic and reprogrammed cell lines to facilitate studies into the properties and applications of stem cells.

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The third element is an education and training division that provides a broad spectrum of services, ranging from science programs with middle schools and partnerships with community colleges to technical training for stem cell researchers in industry.

The key message we took away from this presentation was that the Medical School had established UMass as one of a handful of major resource centers in the US and the world for stem cell R&D. This is an accomplishment in which we should all take great pride.

Associate Vice President Jeff Brancato ended our meeting with an upbeat presentation on the University's R&D performance in FY2008 in which UMass set a record of over \$435M in R&D expenditures. This represents nearly a 10 % increase over the previous year, continuing a trend in which UMass has exceeded the R&D growth rates of higher education institutions across the US. He also elaborated on the President's point about new federal R&D opportunities through the federal stimulus bill, noting that UMass has won \$47M in awards to date, with more expected to be announced soon.

Considering the challenging fiscal environment that the University faces right now, the Committee was truly impressed with this record of progress and accomplishment across the campuses. All of us on the Committee thanked President Wilson, the Chancellors, Faculty and staff for making this possible and Vice President Chmura and Associate Vice President Brancato for their dedication to this Committee.

The next item was the **Report of the Governance Committee**. Trustee Johnston reported that the Governance Committee met on July 13th and September 30th. The Committee discussed the Board/Committee Chairs/Vice Chairs/Officers for the upcoming year.

The Committee members had individual discussions with the Board members about the officers and their committee assignments.

He then asked Chairman Manning to entertain a motion to approve the Slate of Officers and Committee Chairs of the Board of Trustees set forth in Doc. T09-042.

Before he concluded his report, he thanked the members of the Governance Committee: Trustees King-Shaw, Karam and Pearl and former Trustee Matt Carlin; and Chairman Manning for his participation.

It was then moved, seconded and

VOTED: To confirm and approve the Officers and Committee Chairs of the Board of Trustees set forth in Doc. T09-042.

The next item under **Other Business** was **Department of Defense**. This is a routine vote adding new Trustees to the Department of Defense Exclusion List.

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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.

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>
Emily Bloch	Trustee
Lawrence F. Boyle	Trustee
Jennifer C. Braceras	Trustee
Edward W. Collins, Jr.	Trustee
Tara-Jean E. DeSisto	Trustee
John A. DiBiaggio	Trustee
Matthew S. Hoyt	Trustee
Philip W. Johnston	Trustee
James J. Karam	Trustee
Ruben J. King-Shaw, Jr.	Trustee
David W. Koffman	Trustee
Richard J. Lawton	Trustee
Kenneth A. MacAfee, II	Trustee
Kerri Osterhaus-Houle	Trustee

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Janet D. Pearl	Trustee
R. Norman Peters	Trustee
Paul Reville	Trustee
Henry M. Thomas, III	Trustee
Stephen P. Tocco	Trustee
James Young	Trustee

(Doc. T09-062)

The next item was **Appointment of University Treasurer**. This is to add Treasurer to Senior Vice President Gray's title.

It was then moved, seconded and

VOTED: To appoint David Gray, Senior Vice President for Administration, Finance and Technology as Treasurer of the University of Massachusetts. (Doc. T09-063)

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

It was moved, seconded and

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

Chairman Manning voted for the motion as did Vice Chair Karam Trustees Braceras, Collins, DiBiaggio, Koffman, Lawton, MacAfee, Osterhaus-Houle, Pearl, Reville, Thomas and Young.

The time was 10:20 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees