

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

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

Wednesday, February 10, 2010; 8:00 a.m.

Amherst Room

225 Franklin Street – 33rd Floor

Boston, Massachusetts

Committee Members Present: Chair Karam; Trustees Collins, DeSisto, Furman, Koffman, Tocco and Wooldridge

Committee Member Absent: Trustee Bloch, Boyle, Braceras, Hoyt, Johnston, King-Shaw, Lawton, MacAfee, Peters, Reville, Thomas and Young; Chairman Manning

University Administration: President Wilson; General Counsel Heatwole; Executive Vice President Julian; Senior Vice Presidents Gray and Williams; Vice President Smith; Chancellors Holub, Motley, MacCormack, Meehan and Collins; Mr. MacKenzie, Executive Director, Building Authority; Mr. Douglas, Associate Vice President, University Budget Director; Ms. Wilda, University Controller; Vice Chancellors for Administration and Finance Hatch, McLaughlin, O'Connor, Yestramski and Jenal; Mr. Harrison, Associate Vice President for Auditing; Mr. O'Riordan, Associate Vice Chancellor for Financial Services, UMass Lowell

Faculty Representatives: Professor Adrion, UMass Amherst; Professor Tirrell, UMass Boston; Professor Gibbs, UMass Dartmouth; Professor Carter, UMass Lowell

Chair Karam convened the meeting at 8: 01 a.m.

The first item on the agenda was the **Chair's Report**. Chair Karam reflected upon the momentous action taken by the Board of Higher Education on February 2nd to approve the establishment of the UMass Dartmouth Law Program. The Board of Higher Education's unanimous approval is testimony to the hard work undertaken by Chancellor MacCormack and her team, to President Wilson and the staff here, and to the Trustees. This successful outcome was earned through equal measures of inspiration, perspiration, and due diligence. Now, the truly hard work starts: the transformation of an existing private law school to a high quality, accredited public law program. We wish Chancellor MacCormack and the Dartmouth campus well in this endeavor and will continue to monitor their progress on a regular basis.

The national and state economic picture continues to throw off mixed signals. While national GDP grew last quarter by a robust 5.7% rate, the Massachusetts state economy actually contracted by 0.2% in the fourth quarter, according to UMass economists. This parallels rising unemployment in the state, with a reported rate of 9.4% for December '09. In the most important development of all for the University, the Governor's FY2011 budget recommends

Committee on Administration and Finance
February 10, 2010

restoration of funding back very nearly to initial FY2009 funding levels. This would be accomplished through a combination of state appropriations and Federal Stimulus funds. President Wilson and Senior Vice President Gray will be providing additional details in their reports. In the weeks and months ahead, we will all need to be vigilant advocates for the Governor's budget recommendations. There will be considerable debate in the Legislature and much pressure from other worthy programs. This is very good news for the University and we appreciate the Governor's expression of confidence in the University's strategic direction and its leadership.

In prior years, this would be the meeting when this Committee would take up consideration of mandatory fees for the next academic year. You will recall our decision last year to move this item to our June meeting. The ongoing volatility in the economy and uncertainties about state funding underscore the wisdom of this change. After hearing from President Wilson and Senior Vice President Gray, we will spend time learning more about the process of capital planning and priority setting on each of the campuses. We will also receive an update from the Building Authority and the Annual Report on Financial Aid. The University's commitment to student aid has never been more important in light of the financial pressures on our students and their families. The meeting will conclude with an Executive Session to discuss Real Estate and Litigation Matters.

Under the **President's Report**, President Wilson acknowledged the Law School approval. The school has been 50 years in the making, and has failed in the past. He explained that despite the GDP increasing by 5%, the Massachusetts Economy has decreased by 2%, and encouraged everyone in the room to be advocates for the budget. President Wilson also acknowledged that the Governor's budget for 2011 was restored to the FY09 budget, and explained that individuals are looking to universities to solve problems and to be part of the economic solution.

For the past 10 years, people have wanted to attend the University of Massachusetts every year; we have a growing reputation. The University of Massachusetts recognizes that by responding to the growing need of dormitories, by building more, more students will attend the University, more tuition will accumulate, therefore revenues will increase.

President Wilson acknowledged that we got through last year well, and also hopes that we have a good year ahead of us. FY2011 looks very challenging; state leaders are facing many obstacles. The University of Massachusetts has to close a budget gap of \$150.6 million. The Chancellors face a difficult test; how to plan a year when you do not know the challenges ahead of you and the range of plans.

We are off to a good start. The Governor demonstrated his commitment to education in the budget. The campuses strive to increase revenue and to decrease expenses. It is difficult to make perfect decisions with imperfect data.

**Committee on Administration and Finance
February 10, 2010**

Senior Vice President Gray then gave his Report and stated that we have prepared a mid-year budget update for FY10, and are also working on the FY11 multi-stage planning process. He explained that the campuses are managing their revenue efficiently, and there are healthy indicators on the FY10 Return on Net Assets. The campuses are managing very well within their resources. The FY11 Plan is very conservative; we are positioned for the worst case, and will remain hopeful. We will prepare to be able to go in many directions. We will have a more measured FY11 plan in late May/early June.

Senior Vice President Gray discussed the possibility of a University of Massachusetts Amherst flagship fee; this fee would be higher than the other campuses. Chair Karam followed up by stating that the flagship fees should remain on campus, and will not go to the other campuses. President Wilson agreed with the Chairman's statement.

Trustee DeSisto made a statement regarding the fee increase. Student fees already increased by \$1,500; she is worried about the additional fee increase. Chair Karam responded that the fees are similar to the tuition at other schools. Senior Vice President Gray responded that a 3% proposed fee increase would be close to \$300 per student, where many students will not have to incur the hardship.

Professor Tirrell, Faculty Representative from UMass Boston stated that as enrollment increases, the quality of education decreases, and the burden shifts to the faculty. There will be more adjunct professors, who should not be filling in roles on campuses. Adjuncts do not conduct research.

Chair Karam then asked for a motion to **Consider the Minutes of the Prior Meeting of the Committee.**

It was moved, seconded and

VOTED: To approve the minutes of the December 2, 2009 meeting of the Committee.

The next item was a **Report on University Capital Planning.** Each Chancellor gave a Power Point Presentation.

University of Massachusetts Amherst:

The Amherst campus hopes to increase out-of-state undergraduates by 2500 students by the year 2020, where they hope to gain 300-400 each year. They have housing needs and are working with the city of Amherst. They are implementing a mixed solution; it is not good for the University to have all of the houses, and the town should not as well. The campus plans to build more modern apartments, as they have proven to be successful in the past. This campus is also in the process of building a new Laboratory Science building, as the Life Sciences are one of the Governor's priorities. This new building will foster collaboration between faculty members. We also need to increase academic classrooms. By doing this, they hope to improve their

**Committee on Administration and Finance
February 10, 2010**

attractiveness to out-of-state students. They will be working on a Master Plan, which has not been revised since 1993. We are addressing library needs and space, and are looking into student life. Their Student Center is based on 12,000 students; the campus now has 22,000 students. The new student center will attract students.

University of Massachusetts Boston:

The planned spending for FY10-FY14 is \$482 million. UMass Boston incorporated their strategic plan into their master plan, where the following goals are included:

- Increase student success
- Attract talent and staff retention
- Create physical space – the best facilities
- Community engagement

The Bayside Expo Center was discussed, and the building of the substructure was detailed. This project is putting people back to work; it is feeding the economy.

University of Massachusetts Dartmouth:

From the years 2000 through 2010, the University of Massachusetts Dartmouth has renovated dormitories, established a new College of Business, is planning a Law School, and established art centers in New Bedford and Fall River. They are focused on economic development in their community. Their strategic plan includes a library expansion, where they conducted a study, and the work is underway. They are planning for a new academic building for the year 2020, where they are in the planning phase, and the project will be included in their capital plan for next year.

University of Massachusetts Lowell:

The Lowell campus is working on their Master Plan. The Chancellor highlighted the new conference center, and the purchasing of Tsongas Arena. He also talked about the new academic building, which houses the nursing, criminal justice, and psychology programs. There also is a new research building, where the campus is working with 40 companies. UMass Lowell is focusing on keeping out-of-state tuition on campuses. They recognized the need for more dormitories, and hope to have 50% of the students living on campus. There will be student concerts and commencements at the Tsongas Arena, where a management firm will manage the security and concessions.

University of Massachusetts Medical School:

When their new building opens, there will be more graduate students. The University of Massachusetts Medical School created their Master Plan in 2006, where one of their goals is to reclaim nearby buildings. These buildings include: the Army Reserves (clinical space), Highway Department (critical for parking), and DYS building (restricts road access). The Medical School's enrollment goal is 125 students/year. The students are present at other hospitals including: St. Vincent's, Marlboro Hospital, Milford Hospital, and Berkshire Hospital. There was a question why the student goal is not higher. The Chancellor explained that if there were

**Committee on Administration and Finance
February 10, 2010**

more medical students, then they would need to find more people to have surgeries and to have babies; they would need more patients for the students to attend to.

The next item was the **Report of the Building Authority**. Mr. MacKenzie reported on the Bond Issue – this is the biggest bond issued at the lowest rate. The successful October bond issue of \$548 million will support capital projects at all five campuses. Mr. MacKenzie reported on the official opening of the Integrated Science Building and the Student Recreation Center at Amherst, the groundbreaking for the Albert Sherman Center at Worcester, the agreement by Lowell to purchase the Tsongas Arena and the fourth anniversary of the UMass Club.

The next item was the **Financial Aid Report**.

Trustee DeSisto applauded the Financial Aid System, but recommended that the infrastructure of the Financial Aid Departments at the campuses be provided with more resources and staff. She also recommended that students should be able to sit down with a financial aid counselor more often than just at the entrance and exit conferences.

Trustee Furman asked if the University is burdened by the increase in financial aid. Many individuals responded, and explained that each University administers their own aid. Students deal with the Federal Government directly regarding their Federal loans.

Trustee Koffman asked if we are doing any new marketing campaigns regarding the sticker price (which is low compared to other schools). He explained that we could use it to our advantage. Chair Karam stated that potential students are educated on the sticker price on a student-by-student basis; often when they meet with an admissions officer.

Chair Karam then announced that the Committee would enter **Executive Session to Consider Real Estate and Litigation and Related Personnel Issues**.

The Committee will not reconvene in Open Session, and the Secretary will call the Roll.

It was moved, seconded and

VOTED: To enter into Executive Session for the purpose of consideration of Real Estate and Litigation and Related Personnel Issues.

Chair Karam voted for the motion as did Trustees Collins, Furman, Koffman and Woolridge.

The time was 10:45 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees