

**UNIVERSITY OF MASSACHUSETTS**

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

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

**Wednesday, June 2, 2010; 8:00 a.m.  
Amherst Room  
225 Franklin Street – 33rd Floor  
Boston, Massachusetts**

**Committee Members Present:** Chair Karam; Vice Chair Wooldridge; Trustees Bloch, Boyle, Braceras, Collins, DeSisto, Furman, Lawton, Peters, Reville and Tocco; Chairman Manning

**Committee Member Absent:** Trustees Johnston, King-Shaw, MacAfee, Thomas and Young

**University Administration:** President Wilson; General Counsel Heatwole; Executive Vice President Julian; Senior Vice Presidents Gray and Williams; Vice Presidents Chmura and Connolly; 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 Gibbs, UMass Dartmouth; Professor Carter, UMass Lowell

Chair Karam convened the meeting at 8:06 a.m.

The first item on the agenda was the **Chair's Report**. Chair Karam began his report by discussing the economic improvements in the Commonwealth; key financial indicators monitored by the University of Massachusetts Boston's Donahue Institute reveal a 4.2% economic increase. However, Chair Karam stressed that it will take from 2-3 years to recover, and also stated that the budget will not see relief soon.

Under the **President's Report**, President Wilson encouraged the attendees to be advocates for the University; especially during these times of uncertainty. We are responding to factors beyond our control. President Wilson believes that it will be awhile before the state revenues will improve. The University is faced with an ever-growing challenge: enrollment is increasing, the qualities of education and student demographics are improving, and the need for student aid is increasing. In FY10, the University received \$150 million in Federal Stimulus funding. We made progress with these stimulus funds by increasing revenue and by decreasing expenses. President Wilson shared that the University will be foregoing the mandatory fee increase based

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on the FY11 state Appropriation coupled with the Federal Stimulus amount recommended by the Governor. Also, inflation is not taken into consideration.

Chair Manning asked what will happen if we do not receive the state revenues that we anticipate. President Wilson responded by stating that they may have to react with: lay-offs, emergency mid-year fee increases, and cuts to salary and financial aid. President Wilson asked the attendees if this is something the Board wants to decide. Trustee Tocco suggested that there be a structural overhaul and that we follow a zero-based budgeting approach. Chair Karam stated that this will be a difficult message to convey to the incoming president. President Wilson stated that the University did make some structural changes last year, and also made some drastic cuts. He worries about being able to maintain the Average Percentage of Student Need Met (93%). However, based on our budget assumptions, President Wilson is confident that the University will be able to maintain that high percentage.

During his report, Senior Vice President Gray touched on remarks made earlier in the meeting regarding the University's heavy reliance on Federal Stimulus funds. Senior Vice President Gray stated that the Federal Stimulus funds have enabled the University to make some large investments. Despite the benefits of these funds, Senior Vice President Gray worries that this gives us a false sense of financial security. If we back the stimulus out of our operating margin, we are negatively affected. There was discussion of the possibility of the University breaking away from the state supported healthcare and pension systems. Trustee DeSisto worries about the University disconnecting from the state. Will we still be a state university? We would look like a private institution with the UMass label.

Trustee Collins also worries about the University breaking away from the state without doing research on the pension and healthcare systems. He stressed that many UMass employees have many years of service invested in the state system, and many of these employees are close to retirement. Senior Vice President Gray stated that there will be an analysis conducted with the Vice Chancellors for Administration and Finance. Senior Vice President Gray restated the University's commitment to teaching and learning. He also stated that mandatory fees will not be increased.

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 February 10, 2010 meeting of the Committee.

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The first item for action was **2010-2011 Mandatory Student Tuition and Fee Rates.**

It was moved, seconded and

**VOTED:** To recommend that the Board take the following action:

1. In accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve tuition at the following maximum rates for the Amherst, Boston, Dartmouth and Lowell campuses for academic year 2010-2011:

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

\*Per 9 credit load

2. And further, in accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following maximum mandatory fee rates for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2010-2011:

<b><u>Total Mandatory Fees (Curriculum &amp; Other Mandatory Charges)</u></b>				
	<b><u>Amherst</u></b>	<b><u>Boston</u></b>	<b><u>Dartmouth</u></b>	<b><u>Lowell</u></b>
Undergraduate (resident)	\$10,018	\$8,897	\$8,941	\$9,052
Undergraduate (non-resident)	\$13,292	\$13,039	\$11,962	\$13,959
Graduate (resident)	\$8,286	\$9,387	\$9,446	\$8,362 *
Graduate (non-resident)	\$11,491	\$13,051	\$11,962	\$12,305 *
Graduate Law School (resident)			\$21,019	
Graduate Law School (non-resident)			\$22,635	

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\*Per 9 credit load

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3. And further, in accordance with Policy T92-031, Appendix E, to authorize the President to approve, no later than June 30, 2010, the individual rates for mandatory charges, providing that total mandatory student charges shall not exceed the total rates as outlined below for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2010-2011:

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**Total Mandatory Student Charges**

	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (resident)	\$11,732	\$10,611	\$10,358	\$10,506
Undergraduate (non-resident)	\$23,229	\$22,797	\$20,061	\$22,526
Graduate (resident)	\$10,926	\$11,977	\$11,517	\$9,999 *
Graduate (non-resident)	\$21,428	\$22,809	\$20,061	\$18,730 *
Graduate Law School (resident)			\$23,090	
Graduate Law School (non-resident)			\$30,735	

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\*Per 9 credit load

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4. And further, in accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following tuition and maximum mandatory fee rates for the Worcester campus for academic year 2010-2011:

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<u>Medical School</u>	<u>Tuition</u>	<u>Mandatory Fees</u>	<u>Total Student Charges</u>
Medical School (resident)	\$8,352	\$7,386	\$15,738
Ph.D./MD (resident)	\$2,640	\$22,041	\$24,681
Ph.D./MD Years 1-2 (non-resident)	\$9,856	\$37,041	\$46,897
Ph.D./MD Years 3+ (non-resident)	\$9,856	\$27,185	\$37,041
Graduate School of Nursing (resident)	\$2,640	\$7,288	\$9,928
Graduate School of Nursing (non-resident)	\$9,856	\$7,288	\$17,144

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Grad. School of Biomedical Science (resident)	\$2,640	\$4,010	\$6,650
Grad. School of Biomedical Science (non-resident)	\$9,856	\$4,010	\$13,866

5. And further, in accordance with Section 1A of Chapter 75 of the General Laws and T92-031 (Appendix E), to authorize the President to approve, no later than June 30, 2010, final student housing rent and food service charges providing that the average total charge to undergraduate Massachusetts resident students shall not exceed the average rates as outlined below for academic year 2010-2011:

	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
<u>Room &amp; Board</u> (average rate)	\$8,814	N/A	\$9,883	\$9,067

6. And further, to authorize the President to approve, no later than June 30, 2010, the full schedule of rent and food service charges for all other classifications of students, room options and meal plans for academic year 2010-2011.
7. And further, to authorize the President to approve, no later than June 30, 2010, individual fee rates for other student fees and student fee/revenue based operations charges not already approved by the Board for academic year 2010-2011. (Doc. T10-033)

The next item was **Approval of the FY2011 University Operating Budget.**

It was moved, seconded and

**VOTED:** To recommend that the Board take the following action:

To approve the FY2011 University Operating Budget as contained in Doc. T10-034 and to approve the statements of trust contained in Appendix A of said Doc. T10-034.

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The next item was **Authorization to Allocate FY2011 State Appropriation.**

It was moved, seconded and

**VOTED:** To recommend that the Board take the following action:

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 2011 to the campuses and the central administration of the University, and to notify the Board of Trustees and the House and Senate Committee on Ways and Means of said allocations. (Doc. T10-035)

The next item was **Establishment of Endowed Chair, UMass Worcester.**

It was moved, seconded and

**VOTED:** To recommend that the Board take the following action:

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish an endowed chair in Cancer Care and Research at the University of Massachusetts Medical School to be known as the Mary C. DeFeudis Chair. (Doc. T10-036)

Trustee Furman then presented a proposal for a **Task Force for Stream-lining University Services and Operations.** The goal is to make a stronger and more sustainable UMass in areas of research including IT and Accounts Payable. The Task Force will focus on best practices, re-aligning services and cost-efficiency. Trustee Furman recommends that three Trustees from the Board, along with Senior Vice President Gray be on the Task Force. They will conduct the review this summer, and will present the results this Fall. Secretary Reville indicated his support for this proposal.

Chair Karam added his support for this action and asked Trustee Furman to Chair the Task Force. It was moved, seconded and

**VOTED:** To recommend that the Board take the following action:

To establish a Task Force made up of Trustees and University officials from the President's Office and the campuses to consider cost efficiency initiatives throughout the University system.

The Task Force will initially focus on Procurement and ProCard Review, and will determine what further areas to review.

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The Task Force will report their findings to the Committee on Administration and Finance in the Fall of 2010. (Doc. T10-040)

Trustee DeSisto stated that there will not be any voting students at the June 9<sup>th</sup> Board Meeting. Two of the students who have the ability to vote will be graduating; once students graduate, they cannot vote. The incoming student representatives will be starting their term on July 1<sup>st</sup>. Chair Karam believes that this is a flaw, and that perhaps this defect can be rectified through the legislative process. The General Counsel will research this issue. Though outgoing Student Trustees cannot vote, they can speak.

Mr. MacKenzie then presented a **Building Authority Update** that included a list of campus-related completed projects. Of particular interest was the closing of the Bayside Exposition Center by the University of Massachusetts Boston.

Chair Karam then announced the Committee would enter into **Executive Session** to consider **Real Estate**.

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 considering **Real Estate**.

Chair Karam voted for the motion as did Vice Chair Wooldridge, Trustees Braceras, Collins, Furman, Lawton, Peters, Reville and Tocco; Chairman Manning.

The time was 9:30 a.m.

Barbara F. DeVico  
Secretary to the Board of Trustees