

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

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

**Wednesday, June 8, 2011
Campus Center Ballroom – Third Floor
University of Massachusetts
100 Morrissey Boulevard
Boston, MA, Massachusetts**

Trustees Present: Chairman Karam; Vice Chairs King-Shaw and Thomas; Trustees Boyle, Collins, DiBiaggio, Dinan, Fox, Johnston, Lampert, Osterhaus-Houle, Peters, Reid, Reville and Tocco

Trustees Absent: Trustees Braceras, Furman, Lawton, MacAfee, Woolridge and Santos

University Administration: President Wilson; General Counsel Heatwole; Chancellors Holub, Motley, MacCormack, Meehan and Collins; Executive Vice President Julian; Senior Vice Presidents Gray and Williams; Vice Presidents Chmura, Connolly and Goodhue; Dr. Udas, CEO, UMassOnline; Mr. MacKenzie, Executive Director, UMass Building Authority; Mr. Douglas, Associate Vice President; President-Elect Caret

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

Guests: Mr. Strahan; Mr. Goodkind, President, Professional Staff Union, UMass Boston; Ms. Schotten, Faculty Staff Union, UMass Boston; Mr. Tarr, Student, UMass Lowell

Chairman Karam convened the meeting at 9:02 a.m. and asked for the **Approval of the Minutes of the Previous Meeting of the Board.**

It was moved, seconded and

VOTED: To approve the minutes of the February 23, 2011 meetings of the Board.

The next item was the **Chair's Report.** Chairman Karam thanked Chancellor Motley for hosting the members of the Board of Trustees at last night's dinner and for introducing us to students and faculty who were informative and inspirational and for this morning's presentation and for the hospitality that the Chancellor and his staff have shown us. This campus is moving forward and remains a beacon of opportunity for so many.

**Board of Trustees
June 8, 2011**

Chairman Karam noted that all five of our student Trustees are departing; four of our five student Trustees are with us this morning -- Evelyn Santos of the Medical School was unable to join us – the University has benefitted from your industry, your insight and your collegiality.

Chairman Karam reported that the University's financial situation for Fiscal Year 2012 would be very challenging. The state continues to struggle with serious budget challenges and we feel the effect of that struggle. We are forced to address a \$54 million funding gap, primarily because of the end of the federal stimulus funds program.

The financial approach that President Wilson and the Chancellors have shaped consists of a combination of additional budget cuts and new fee revenue. It is always difficult to vote to raise student charges, but after careful consideration, we need the 7.5 percent fee increase before the Board today in order to preserve academic quality for our students.

The President and Chancellors have committed to using our financial aid program to cushion the impact of the fee increase to the fullest extent possible. Specifically, they will devote 29 percent of the increase to increased financial aid. During the past academic year, UMass students received \$673 million in financial aid, with 61 percent of in-state undergraduate students receiving need-based aid. Need-based aid currently reaches more than 25,000 in-state undergraduates, and because of the new commitment, that is likely to increase in Fiscal Year 2012.

The additional budget cuts will not be easy. Between Fiscal Year 2009-Fiscal Year 2011, the University eliminated more than 645 positions and achieved budget savings of \$68 million. Those of us who have served on the Board for some time and who have visited the campuses and met with students, faculty and staff understand that we have seen real cuts with real consequences.

This is an effort that is led by the President and the Chancellors, working closely with the members of the Board of Trustees, but truly is a real team effort as faculty, staff, students, alumni and other friends are constantly at the business of advocating for the University at the State House.

We meet with the Governor, the Secretary and the Governor's staff, the Legislative leadership and constantly are meeting with legislative staff and are testifying before the appropriate committees such as Ways and Means and the Joint Committee on Public Higher Education. President Wilson and the Chancellors appeared before the Higher Education Committee last week. We are also working closely with the Public Higher Education Caucus.

In the end, the one thing we hear is that the decision-makers at the State House fully appreciate our importance. They understand that the University of Massachusetts educates 68,000 students a year and that our students come from and stay in Massachusetts. They understand that our research and innovation creates jobs and is critical to the Commonwealth's

Board of Trustees
June 8, 2011

economic future. And they understand that we provide vital services to the Commonwealth and its citizens every day.

While we recognize the Commonwealth's fiscal plight, we are still going to be there every day, making the case that an investment in the University of Massachusetts is an investment in the Commonwealth's future and is an investment that will always pay dividends.

Chairman Karam then acknowledged the many accomplishments of our outgoing President, Jack Wilson. Jack was named President of UMass in 2003, at a time when the University faced some significant challenges. Drawing upon his broad career in academia and business, he brought stability, leadership, and vision to UMass. From day one, President Wilson had clear priorities for the University and over the past eight years, he has amassed an enviable record.

During the course of his presidency, President Wilson emphasized three key areas:

- Access and affordability for students.
- Research and discovery to fuel the Commonwealth's innovation economy.
- And the need to upgrade facilities on all five campuses.

Under President Wilson's leadership, UMass spending on student financial aid increased 267 percent. In 2003, the University spent \$36 million. This year we spent more than \$131 million.

In addition, UMass research funding has increased by 69 percent. In 2003, our research expenditures were \$320 million. Last year, they reached \$541 million.

During his tenure, the University's endowment grew by 257 percent. In June 2003, the endowment was \$146 million. As of March 2011, it stood at \$522 million.

During his presidency, the University has invested \$2 billion in major capital projects. We've added new classrooms, labs, student recreation facilities, and student housing, and in the process significantly upgraded all five campuses.

In addition, we've experienced strong growth in other areas including our enrollment, international programs and technology licensing.

Each of these items is an impressive accomplishment, but taken together they are inspiring. Recently, the *Times of London* called UMass "truly world-class." That is because we have had a world-class leader for the last eight years.

Chairman Karam congratulated President Wilson who has served the University incredibly well and wished him all the best as he moves on to the next chapter in his life. We look forward to working with President Wilson as he begins his distinguished professorship at UMass Lowell and wishes him every success in the future.

**Board of Trustees
June 8, 2011**

There was a round of applause. Chairman Karam then acknowledged President-Elect Caret who was in the audience today and will assume his post on July 1st.

Before calling on the speakers, Chairman Karam asked for respect and decorum from the speakers and the members of the audience.

Chairman Karam called on Mr. Richard Strahan, a former student, who stated his concerns with the Revisions to the Code of Student Conduct, UMass Amherst scheduled to be considered today. He indicated his desire to include in the Code, a Bill of Rights that would coincide with this country's Constitution. He also commented on several problems he experienced as a student on the Amherst campus.

Mr. Thomas Goodkind, President, Professional Staff Union, UMass Boston spoke about the steady privatization of the public higher education system. The high fee/high debt model is not a solution to the steady withdrawal of public funds. It appears that our institution's leadership has given up on the fight to keep public higher education public.

Ms. Heike Schotten spoke on behalf of Catherine Lynde, Faculty Staff Union President, UMass Boston. The University's deficit could be closed with a combination of additional revenues and cost savings. The number of administrative positions on the Boston campus has increased steadily. Student head count has increased, the number of classified staff has decreased. Full time faculty are growing at half the rate of the student growth. Part of our budget problem is of our own making.

Mr. James Tarr, Student from UMass Lowell spoke about the public higher education crisis point the Commonwealth of Massachusetts has reached. The \$54.5 budget shortfall is being used as cover to raise fees by \$800 for each student. It is the new reality that a college degree is the difference between poverty and prosperity. The status quo is not acceptable and we must not balance the state budget on the backs of struggling students. We must change the course this University is on.

Chairman Karam thanked everyone for their comments - these are issues we deal with every day and will take today's remarks under consideration.

Chairman Karam then acknowledged the accomplishments of this year's Student Trustees and presented them with gifts on behalf of the Board. He noted that Trustee Michael Reid set a record by attending all of this year's Commencement. There was a round of applause.

Chairman Karam announced the members of this year's Governance Committee: Trustee Ruben King-Shaw, Chair, Philip Johnston, Vice Chair, Maria Furman and himself. The Committee will report to the full Board at the September meeting.

Board of Trustees
June 8, 2011

The next item was the **Secretary's Report**. Trustee Reville, on behalf of the Governor, offered his thanks to the Student Trustees for their service on this Board. The budget situation this year is not where we'd like to be. We expect to be in a better place next year. The Governor's top priority in terms of budget reform focuses on health care and reducing costs. Bringing these costs down will have an effect on funding for public higher education.

There is a summit planned to tackle the college readiness issue as one of our top priorities this year. We continue to utilize the Race to the Top grant money expanding our investment in readiness centers; six new innovation schools have been announced. There are opportunities to work more effectively to move ahead with the future of the University with President-Elect Caret and this Board.

Under the **Student Trustee Report**, Trustee Lampert reported on the Boston campus' rich history offering critical services and options where real opportunities exist. The UMass Boston Mission Statement includes the offer of challenging teaching, distinguished research, academic and economic needs of the state's urban areas and its diverse population. Students are impacted by the decisions made by this Board, by the state, federal and corporate level. Today we are breaking ground on a new facility that will add a much needed asset to the campus. We continue to hope that this campus will continue to provide a plethora of opportunities where dreams remain accessible.

Chairman Karam thanked Trustee Lampert for her remarks today, at last night's dinner and at Commencement.

The next item was the **President's Report**. President Wilson thanked Chancellor Motley, his staff, and the entire UMass Boston community for the hearty welcome we have received. It is always a pleasure to meet at the Boston campus.

During his first convocation speech and in his inaugural address, Chancellor Motley called on UMass Boston to become a student-centered, urban public university of the new century. He outlined a vision for growth in enrollment and research and for a physical transformation of the campus. Today, it is clear that the campus has seen significant progress on all of these fronts.

- The groundbreaking for the Integrated Sciences Complex, which will be held after our meeting. The 220,000 square-foot building will house wet and dry research laboratory space for the Biology; Chemistry; Physics; Engineering; Psychology and the Environmental, Earth and Ocean Sciences departments. It will also contain two new research centers, a psychology department observation facility, four undergraduate biology teaching laboratories, and undergraduate research space. The project is a much needed, 21st-century facility for the growing campus.
- There are many other construction projects underway, a green energy project—the installation of a 350-panel photovoltaic array on the lower roof of Wheatley Hall. The

Board of Trustees
June 8, 2011

panels will be installed this summer and connected to the power grid in the fall, generating about \$10,000 of electricity every year at current electric rates.

- In terms of enrollment, UMass Boston has seen 32 percent growth in enrollment over six years. A record-breaking 15,454 students are enrolled at UMass Boston, up from 11,682 in Fall 2004. In addition, freshman retention climbed to 77 percent last year, from 71 percent in 2005.
- Campus research funding has more than doubled since 2001, growing at an annual rate about twice that of other research universities. The momentum continued this academic year as faculty research funding grew by 18 percent over last year, and the campus received news of a game-changing research grant. The National Institutes of Health awarded \$13 million dollars to the UMass Boston-Dana Faber Cancer Center Partnership. A grant-funded Center for Personalized Cancer Therapy will move onto campus soon.

President Wilson reported on the just completed Commencement cycle during which we have seen things that remind us of why we are here and of the importance of what we all are doing.

- In Amherst, we saw alumna Cady Coleman deliver the undergraduate commencement address from the International Space Station.
- In Boston, we saw 3,637 students, the largest class in UMass Boston's history, earn degrees. And nearly 60 percent of those students were the first in their families to graduate from college.
- In Dartmouth, the first graduates of the first public law school in the Commonwealth's history received their degrees.
- In Lowell, two graduates who have achieved great success and who touch lives every day, our former Chairman Rob Manning and his wife and oncology nurse Donna Manning, were honored.
- And at the Medical School in Worcester, Suzanne and Bob Wright, who responded to a diagnosis of autism in a grandchild by creating what has become the largest autism advocacy organization in the world, received honorary degrees ... along with founding chair of orthopedics Arthur Pappas and University of Miami president Donna Shalala.

President Wilson acknowledged the five student Trustees leaving the Board. You have all made significant contributions to the Board of Trustees and to the University with your service and you will be missed. Having student representation on this Board is important.

Today the Committee on Academic and Student Affairs will bring forward proposals for new degree programs to educate students in important fields, including: engineering, linguistics,

Board of Trustees
June 8, 2011

accounting, global studies and business administration. These programs are important to our growth as a University and to growth and development in the Commonwealth.

We will be asking the Board to consider a student-charge increase for the upcoming academic year. The University is working to close what otherwise would be a \$54 million dollar budget shortfall in Fiscal Year 2012.

The University has worked hard to reduce spending and to make cuts wherever possible making cuts in areas that don't threaten academic quality or impinge upon the classroom to the fullest extent possible. Between FY 2009 and FY 2011, we shed more than 645 positions and as a result of workforce reduction and other cost-cutting measures, saved \$68 million.

We intend to shed another 370 positions next year and our overall goal is to eliminate the \$54 million dollar potential shortfall by cutting expenses by \$28 million dollars and by raising new revenue from fees in the net amount of \$26 million dollars.

It is because of the need to raise that additional revenue that we bring a 7.5 percent fee increase – a proposal that has been endorsed by the Committee on Administration and Finance. We bring a larger-than-the-rate-of-inflation increase to you only as a last resort.

We always seek to minimize the size of fee increases. My stated policy was to keep increases equal to or less than the rate of inflation as long as we received reasonable funding increases from the state. And for five years, we were able to do that. The increase we approved two years ago that exceeded inflation came about only because of the global economic crisis that resulted in the University having to endure a significant funding decrease.

Twenty-nine percent of the money to be generated by the fee increase would be funneled into financial aid. This would entirely offset the effects of the increase for some students and blunt its effect for many others. Financial aid is the key to maintaining affordability and is keeping the doors of opportunity open for our students.

If this proposal is approved, we will be addressing our budget shortfall with equal amounts of new fee revenue and budget cuts. We are charting a balanced and responsible course.

While we face challenges, we see success as well. The Advancement Committee has positive news to share regarding the endowment. When I became President of the University, the endowment stood at \$143 million dollars. At the close of the most quarter ending March 31, the endowment had grown to \$522 million dollars. The investment performance to date for this year is 15.28 percent. Considering the global economic turmoil of the last several years, this is a remarkable achievement. This endowment growth has also helped us offer more scholarships and financial aid.

**Board of Trustees
June 8, 2011**

At our last meeting, we announced that in Fiscal Year 2010 for the first time, the faculty across all five campuses generated half a billion dollars in research funding.

President Wilson continued his report: on one of three seed funds created to support faculty research and discovery and established the President's Science and Technology Initiatives Fund in 2004; it has supported a total of 48 UMass faculty research projects. These projects have leveraged \$145 million dollars in additional funding from sources outside the University system, which has led to the creation of nearly 20 research centers on the five campuses.

This year, we have selected five faculty research proposals—one from each campus and would like to congratulate the grant recipients; this year's award amounts will be determined following the passage of the final state budget.

President Wilson reported that he approved the creation of the University of Massachusetts Innovation Institute, an academic entity that will give us new flexibility and will allow us to explore new paths of inquiry. The Innovation Institute will be piloted in Amherst under the leadership of Vice Chancellor Mike Malone. The Innovation Institute will allow us to perform important work fueling the University's significant growth in the research area.

President Wilson noted that this is the last Board of Trustees meeting he will have the privilege of attending as the President of the University of Massachusetts. It has been a singular honor to serve as President for the past eight years. On July 1, he will return to the faculty to teach, to write and to resume what has been my lifelong passion: Working with students and helping to shape the future through that work.

He looked forward to returning to his academic roots. This University has been the most rewarding and exciting experience of my professional lifetime. He pointed to the great efforts of our Chancellors and campus leadership, our Trustees, the team in the President's Office, our faculty and staff and, of course, our students.

Leading a complex institution like a 68,000-student/\$2.9 billion dollar-University is a significant challenge but has enjoyed every minute of the presidency.

President Wilson then thanked everyone who was involved with and attending last week's dinner at the UMass Club. That was an honor that my family and I will never forget. And the icing on the cake was that the dinner raised money for student scholarships.

President Wilson ended his Report by stating that this is a world-class University and is proud of its incredible administrators, faculty, staff, students, and alumni. It has been my great privilege to serve in this magnificent position.

There was a round of applause and a standing ovation for outgoing President Wilson.

**Board of Trustees
June 8, 2011**

The next item on the agenda was the **Report of the Committee on Administration and Finance**. Trustee Collins, Vice Chair of the Committee reported that the Committee had met on June 1st. Chair Woolridge had reported that the economic situation in the state and nation continues to improve, although very slowly. State leading economic indicators are pointed upward and investments in the University will continue to drive innovation and job growth in the Commonwealth. We must find a way to reverse the trend of lagging State support for the University if we are to preserve access to an excellent research University education.

President Wilson noted in his report the importance of finding a balance between commitment to affordable access and quality. The President reminded the Committee that the University has upheld its commitment by cutting over \$68 million from the budget over the past three fiscal years, with over 645 positions eliminated. As we look ahead to FY12, President Wilson noted that 370 additional position eliminations are anticipated, which when combined with the procurement reform efforts and other reductions, will yield more than \$46 million in additional savings. With respect to student charges, it's worth repeating that our commitment to student financial aid since FY03 has dramatically helped to offset fee increases for the most economically vulnerable students, and as a result the University continues to meet more than 90% of our students' financial need. President Wilson had pointed out that the proposed 7.5% fee increase for FY12 will be combined with additional system-wide cuts of equal or greater magnitude in order for us to produce a balanced budget.

In his report, Senior Vice President David Gray provided additional details around the FY12 budget and proposed fee increase. Noting that the state appropriation outlook has been largely unchanged for several months, which means the University's projected funding gap of \$54.5 million remains intact. The proposed 7.5% tuition and fee increase will yield \$26.1 million in net new fee revenue. As Mr. Gray pointed out, this figure is net of a substantial commitment of \$14.9 million in new institutional student aid dollars, or 29% of the new fee revenue. The combination of the revenue from the fee increase and budget cuts will contribute roughly equally in closing the \$54.5 million gap.

Each of the Chancellors was asked to provide a brief overview of the budget stabilization plans for their campus in the upcoming fiscal year. Taken in the aggregate, they painted a picture of continuous adjustment to the grim revenue realities the University faces. These adjustments and cuts will continue into FY12, even with the proposed fee increase.

The first item was **Establishment of Mandatory Tuition and Fee Rates and Housing and Food Service Charges for Academic Year 2011-12**. The Committee members engaged in a full and spirited discussion regarding the proposal to increase mandatory tuition and fees by an estimated weighted average of \$825, or 7.5%; the proposal was then approved by a majority vote.

The motion was then moved and seconded.

**Board of Trustees
June 8, 2011**

Trustee Tocco stated his intention to vote against the motion; the 7.5% increase is too high in light of the state of the economy. The students and the University should roll up their sleeves and come up with a better solution.

Trustee Boyle also stated his intention to vote against the motion; the increase is excessive; the job market for graduating students is dismal and they cannot afford to pay back student loans.

Trustee Collins thanked the campus union leadership and the students for their thoughtful remarks. The amount of state support for public higher education is not enough but that is not what is at issue. The University cannot survive the budget gap without increasing fees. He did agree with Trustee Tocco that we must find a mechanism that would help to increase public support for our public universities.

The discussion continued; Trustees agreed that the high quality of education at this University must be preserved and that the Board would work together to continue to find ways to increase the funding of education and grow financial aid.

Chairman Karam concluded the discussion by noting that all state agencies are being cut and to change the system, to change the way we run public higher education, we ask the Board members to offer suggestions about the best way to get this done.

It was then:

VOTED: 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 2011-2012:

<u>Tuition</u>	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
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

1. 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 2011-2012:

**Board of Trustees
June 8, 2011**

Total Mandatory Fees (Curriculum & Other Mandatory Charges)

	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (resident)	\$10,898	\$9,693	\$9,718	\$9,843
Undergraduate (non-resident)	\$15,463	\$15,169	\$13,955	\$15,169
Graduate (resident)	\$9,597	\$10,285	\$10,367	\$9,067 *
Graduate (non-resident)	\$14,449	\$15,183	\$13,955	\$13,379 *
Graduate Law School (resident)			\$21,631	
Graduate Law School (non-resident)			\$23,295	

*Per 9 credit load

2. And further, in accordance with Policy T92-031, Appendix E, to authorize the President to approve, no later than June 30, 2011, 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 2011-2012:

Total Mandatory Student Charges

	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (resident)	\$12,612	\$11,407	\$11,135	\$11,297
Undergraduate (non-resident)	\$25,400	\$24,927	\$21,952	\$23,736
Graduate (resident)	\$12,237	\$12,875	\$12,381	\$10,704 *
Graduate (non-resident)	\$24,386	\$24,941	\$21,952	\$19,804 *
Graduate Law School (resident)			\$23,702	
Graduate Law School (non-resident)			\$31,394	

*Per 9 credit load

3. 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 2011-2012:

<u>Medical School</u>	<u>Tuition</u>	<u>Mandatory Fees</u>	<u>Total Student Charges</u>
Medical School (resident)	\$8,352	\$10,241	\$18,593
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	\$7,368	\$10,008
Graduate School of Nursing (non-resident)	\$9,856	\$7,368	\$17,224
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

**Board of Trustees
June 8, 2011**

4. 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, 2011, 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 2011-2012:

	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
<u>Room & Board</u> (average rate)	\$9,512	N/A	\$10,179	\$9,520

5. And further, to authorize the President to approve, no later than June 30, 2011, the full schedule of rent and food service charges for all other classifications of students, room options and meal plans for academic year 2011-2012.
6. And further, to authorize the President to approve, no later than June 30, 2011, individual fee rates for other student fees and student fee/revenue based operations charges not already approved by the Board for academic year 2011-2012. (Doc. T11-055)

With a show of hands, the motion was approved by a vote of 9-4.

The Committee also took action to accept the **Efficiency Task Force Report on Procurement Reform** and direct the President to effect the recommended changes, to revise the **University's Purchasing Policy** to support the procurement reform proposals, to approve the **FY12 Operating Budget**, to authorize the President to **Allocate the FY12 State Appropriation** to the campuses and central administration, and to accept the **Bellegarde Boathouse Property, UMass Lowell**.

It was moved, seconded and

VOTED: To accept the Efficiency Task Force Report on Procurement Reform and instruct the President to implement the recommendations so as to achieve the maximum possible savings for the benefit of the University. (Doc. T11-054)

And further,

It was moved, seconded and

VOTED: To accept the revisions to the Management of Funds Policy, Doc. T92-031, by revising Appendix A and deleting Appendix D, as contained in Doc. T92-031, as amended.

And

**Board of Trustees
June 8, 2011**

It was moved, seconded and

VOTED: To approve the FY2012 University Operating Budget as contained in Doc. T11-056, and to approve the Statements of Trust contained in Appendix A of said Doc. T11-056.

And further,

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 2012 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. T11-057)

And

It was moved, seconded and

VOTED: To authorize the Chair of the Board to sign agreements with the Department of Conservation and Recreation and the Division of Capital Asset Management and Maintenance as may be necessary for the University to accept responsibility for the care, control, management and maintenance of state public park property in the City of Lowell known as the “Bellegarde Boathouse”; and to agree that if the University fails to meet its obligations as set forth in these agreements, that the property shall revert to the care, control, management and maintenance of the Department of Conservation and Recreation. (Doc. T11-051)

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 25th.

The first action item was the **Appointment of Naomi Gerstel as Distinguished Professor, Department of Sociology, UMass Amherst**. Associate Provost Martin commented on Professor Gerstel’s qualifications for the position.

It was moved, seconded and

VOTED: To concur with the President in the appointment of Professor Naomi Gerstel as Distinguished Professor, Department of Sociology at the University of Massachusetts Amherst. (Doc. T11-048)

**Board of Trustees
June 8, 2011**

Associate Vice Chancellor and Dean of Students Enku Gelaye presented the second action item which was the **Revision to the Code of Student Conduct at UMass Amherst**. She reviewed the changes made and the process followed for the revision.

It was moved, seconded and

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

Provost Terence Flotte presented the constitution of the newly formed **Student Government Alliance** at the Worcester Campus as the third action item. When Worcester took students in 1970, there was only one school and one student representative body. There are now three schools and each school has a student body group but there was not an overarching student governance group. SGA oversaw the latest election of student trustee for next year and for the first time, the Student Trustee will be from a school other than the School of Medicine.

It was moved, seconded and

VOTED: To approve the Student Government Alliance Constitution and By-Laws at the University of Massachusetts Worcester as contained in Doc. T11-033.

The next item was **BA in Linguistics and Spanish and a BA in Linguistics and Portuguese, UMass Amherst**. Vice Provost Joel Martin presented an introduction to the three new programs being proposed by the Amherst campus. The quality of the linguistics department is 3rd in the world, regarded by peers around the world as one of the best programs. The proposed linguistics programs address key goals for the campus and the system. It also represents a significant research partnership among departments. There are already existing programs which partner linguistics with other areas of study.

It was moved, seconded and

VOTED: To approve the BA in Linguistics and Spanish at the University of Massachusetts Amherst as contained in Doc. T11-034.

And further, To approve the BA in Linguistics and Portuguese at the University of Massachusetts as contained in Doc. T11-034.

The next item was **Master of Public Policy, UMass Amherst**. The Master of Public Policy is a graduate focus program and in keeping with campus goal of increasing graduate students. It is a common degree at world class universities. The 36 credit degree will allow students to achieve a BA and Masters in five years.

It was moved, seconded and

**Board of Trustees
June 8, 2011**

VOTED: To approve the Master of Public Policy at the University of Massachusetts Amherst as contained in Doc. T11-016.

The next item was **PhD in Business Administration, UMass Boston.** Provost Langley introduced the programs being proposed at UMass Boston. The programs submitted are an integral part of a careful planning that has taken place on the campus. It is pursuit of the vision that looks at what the campus should and might be in 2025. The niche chosen for the Business Administration program is one that looks at business in the context of change.

It was moved, seconded and

VOTED: To approve the PhD in Business Administration at the University of Massachusetts Boston as contained in Doc. T11-036.

The next item was **PhD in Global Governance and Human Security, UMass Boston.** Provost Langley presented some background information on the PhD Global Governance and Human Security degree. As we move to a more global society, where beings are more interdependent, we need to move from security of nation states to security of human beings.

It was moved, seconded and

VOTED: To approve the PhD in Global Governance and Human Security at the University of Massachusetts Boston as contained in Doc. T11-037.

The next item was **BS in Electrical and Computer Engineering, UMass Boston.** Provost Langley spoke to the proposal in Engineering and Computer Science. This is a program basic to the University. The campus has wanted to move in this direction over the years but has not been successful until now.

It was moved, seconded and

VOTED: To approve the BS in Electrical and Computer Engineering at the University of Massachusetts Boston as contained in Doc. T11-038.

The next item was **MS and PhD in Engineering and Applied Sciences, UMass Dartmouth.** Provost Garro presented the PhD Engineering and Applied Sciences proposal. This program is an important component of the campus strategic plan. This program will be transformative to the campus, given the number of faculty who will be brought into doctoral education. The proposed program brings faculty from 8 departments together. An increase in grant competitiveness as a result of this program is anticipated.

It was moved, seconded and

**Board of Trustees
June 8, 2011**

VOTED: To approve the MS and PhD in Engineering and Applied Sciences at the University of Massachusetts Dartmouth as contained in Doc. T11-039.

The next item was **PhD in Business Administration, UMass Lowell**. Provost Abdelal made two general points for all of the programs proposed by UMass Lowell. First, the strategy has been to think of programmatic development in a portfolio approach. Some bring small dollar amounts but others bring higher revenues. Second, the cost of PhD programs is in graduate stipends. These graduate students can become TAs and then the campus reallocates funds from part-time instructors to graduate TAs. This is a superior model and better educationally for the undergraduate students. The PhD Business Administration addresses a national and state shortage. Most private institutions focus on master's in business rather than in PhD education. While Boston and Lowell are coming with programs that may sound the same, there is a different emphasis between the two programs. Lowell is focusing on technology management, international business, and finance.

It was moved, seconded and

VOTED: To approve the PhD in Business Administration at the University of Massachusetts Lowell as contained in Doc. T11-040.

The next item was **PhD in Global Studies, UMass Lowell**. The PhD Global Studies is complimentary to the program at UMass Boston. Lowell faculty met with colleagues from Boston and can see the strengths in each program. The Lowell program leverages the international partnerships that it has been establishing. Every doctoral student will do an international co op at one of the partner universities.

It was moved, seconded and

VOTED: To approve the PhD in Global Studies at the University of Massachusetts Lowell as contained in Doc. T11-041.

The next item was **MS in Autism Studies, UMass Lowell**. The Master's in Autism Studies builds on the graduate certificate in autism studies. This is a very important need and critical area for training in behavioral interventions. Lowell has had the graduate certificate for six years with the Shriver Center. This should be a significant revenue generator.

It was moved, seconded and

VOTED: To approve the MS in Autism Studies at the University of Massachusetts Lowell as contained in Doc. T11-042.

**Board of Trustees
June 8, 2011**

The next item was **MS in Accounting, UMass Lowell**. The MS in Accounting will be for full time and part time students. It addresses a need but is also expected to be a revenue generating degree. It will help students become a certified public accountant.

It was moved, seconded and

VOTED: To approve the MS in Accounting at the University of Massachusetts Lowell as contained in Doc. T11-043.

There was one information item, the final report of the Study Commission on the Pharmacy School. President Wilson and three of the Provosts have been actively involved in the Study Commission. The President spoke to the process of forming the Commission and the meetings that were held. The report is positive toward the establishment of certain pharmacy programs at the University of Massachusetts. The Provosts from Amherst, Lowell and Worcester have worked collaboratively and identified the programs that could be offered at UMass. The report has gone to the legislature but no legislative response is expected.

The remaining items will be taken up in Executive Session.

The next item was the **Report of the Audit Committee**. Trustee Collins reported that the Committee had met on June 1st. The agenda included a briefing on system-wide audit activities, a discussion and acceptance of several internal audit reports, and acceptance of Grant Thornton as the University's external audit firm in accordance with the Audit Committee Charter.

Mr. McCormick, Acting Internal Audit Director referenced an item sent to the Committee members in a separate mailing, an Internal Audit internal memorandum related to a UMass Lowell Contracted Faculty Payroll Overpayment. This internal memorandum report was for informational purposes, not requiring a Committee vote. The Lowell campus responded with an adequate action plan to address all comments.

Discussion on Internal Audit's **Quarterly Activity Summary** began with an update on the Request for Proposal process that was developed and used leading to selection of Grant Thornton as the University external audit firm that also incorporated other University related entities.

Mr. McCormick provided a status for the following projects: Long Range Audit Planning and Update for the September Audit Committee meeting; other formal bid and contract processes related to National Collegiate Athletic Association (NCAA) and Radio Station audits to be performed by an external audit firm nearing completion; and for the implementation of new audit electronic work paper software that will provide for an efficient audit process, including facilitating the follow-up process for status of prior audit recommendations.

Federal Audit Agency reviews were all closed, except for one – National Science Foundation (NSF) Awarded Monitoring program at Amherst and Boston campuses. Three State Auditor's

**Board of Trustees
June 8, 2011**

Office Information Technology reviews are still open at our Amherst, Boston and Dartmouth campuses, but final reports should be issued soon for the Boston and Dartmouth campuses.

Information Technology (IT) Controls Reviews (System-wide) work continued and is nearing completion at the Medical School campus (Internal Audit's final campus). A report will be provided at the next Audit Committee meeting.

Mr. McCormick presented a summary of a report issued for the annual system-wide Chief Executive Officer Compliance Review that included all six chief executive officers. The scope of the review was for calendar year 2010 and included a follow-up for status of implementation of prior year recommendations.

Senior Auditor Galica provided highlights of the HEOA (Higher Education Opportunity Act) Text Book Compliance Review that requires the disclosure of each course textbook's price and standard book number prior to the first day of student registration. Also provided was a summary of a Business Expense Compliance Review performed for UMass Boston Advancement that was performed for travel and business expenditures to aid in a transition in leadership.

Senior Auditor Scano provided a summary of a report of an Asset Management (AM) Review for Central Administration in the President's Office. This is the first of a series of planned reviews encompassing the UMass System. This review was performed to determine the effectiveness of AM controls limited to equipment.

It was then moved, seconded and

VOTED: To accept the following Audit Reports:

1. Compliance Review of the Textbook Provisions of The Higher Education Opportunity Act of 2008
2. Asset Management Review, UMass President's Office
3. Business Expense Compliance Review, University Advancement, UMass Boston
4. Chief Executive Officer Compliance Review

The next item was **Selection of the University's External Audit Firm.**

It was moved, seconded and

VOTED: In accordance with the University's Audit Protocols, to approve the selection of Grant Thornton as the University's External Audit Firm. (Doc. T11-052)

Board of Trustees
June 8, 2011

The Committee heard from Grant Thornton's Brian Page and his team pertaining to their **FY 2011 UMass External Audit Services Plan**. Mr. Page and his team provided highlights of their detailed document containing the FY 2011 Audit Services Plan, including the Annual Financial Statement audit, the OMB Circular A-133 Federal Financial Assistance audit, the Massachusetts OSFA (Office of Student Financial Assistance) audit, and audits for the following related entities: UMass Building Authority; Worcester City Campus Corporation (WCCC); Public Sector Partners, Inc. (PSP); University of Mass Foundation, Inc. (UMF); and the UMass Memorial Foundation, Inc. (UMMF).

Mr. Page also noted significant and other areas of emphasis for this year that included but was not limited to investment valuation, capital activities that include issuance of new bonds and significant fixed asset additions, federal and state grant revenue and receivable, tuition and fee revenue, auxiliary enterprise revenue, sale of Medmetrics, the Southern New England Law School transaction, key accrued liabilities, account for interest rate swaps, financial statements consolidation process, remediation of prior year findings, and OMB Circular A-133 procedures. A brief discussion ensued as to sampling size and audit coverage. The Committee will receive all Grant Thornton reports and hear from the Grant Thornton team at the November 30 meeting.

The next item was the **Report of the Advancement Committee**. Trustee DiBiaggio, Vice Chair of the Committee reported that the Committee had met on May 25th. At that meeting, President Wilson made his final report to the Committee. He reported that the campus fundraising efforts resulted in current gifts to the University through the 3rd quarter to be \$60,527,858, and that the total of new fundraising commitments to the University was \$83,102,489. This second figure includes the total of current gifts in addition to new pledges and irrevocable bequest intentions. This total of new commitments puts the University through three quarters of the fiscal year well on its way to its fundraising goal of \$100,300,000. These new commitments represent gifts from 54,618 individuals and 3,177 corporations, foundations and other organizations.

President Wilson also reported on successful alumni trips to Florida. The University sponsored several events that were attended by over 600 enthusiastic alumni. These events included two Red Sox games in Bradenton and Ft. Myers respectively, the annual reception at the Mar-A-Lago Club in West Palm Beach, and the Annual St. Patrick's Day Parade in Naples.

The University of Massachusetts Foundation Investment Committee has continued its outstanding work managing the University's endowment. The investment performance of the endowment is up 15.28% through three quarters. Through the third quarter, the endowment stood at a total value of \$522,000,000. President Wilson noted that the endowment stood at \$151,000,000 at the time that he assumed the Presidency in September, 2003. This is remarkable growth during one of the most challenging economic times in our nation's history. He commended Mr. Ed D'Alelio, UMB '74, Chair of the Investment Committee, and all of the Committee members for their outstanding performance and their dedication to the University and its mission.

**Board of Trustees
June 8, 2011**

At the conclusion of the meeting, Chair Lawton and Vice President Goodhue led a discussion of the gift counting rules. It was the consensus of the Committee that current cash gifts need to be the point of emphasis in the Committee's reports. Vice President Goodhue indicated that he has formed an internal committee to revise the fundraising reports and will report to the Committee at the September meeting with a revised suite of reports that reflect the best practices of the fundraising community, emphasizes cash contributions to the University, and recognizes the various categories of fundraising activity.

President Wilson was commended for his outstanding service to the University and for his dedication and boundless energy dedicated to the University's advancement efforts.

The next item was the **Report of the Committee on Science, Technology and Research**. Trustee Osterhaus-Houle, Vice Chair of the Committee reported that the Committee had met on May 25th and noted it was Jack Wilson's final meeting as President. He was the President who initially urged the creation of the STR Committee. And, as we noted at the meeting, President Wilson has been the greatest champion for science, technology and research in the history of UMass. We thanked him for his extraordinary leadership in these particular areas.

In addition, this was the first meeting for incoming President Robert Caret. We all look forward to working with him on building on the impressive progress made in the growth of the University's research enterprise during the past several years.

President Wilson began our meeting with an overview of recent initiatives in Science and Technology. Among the many highlights was the launch of a \$10M campaign for ALS research at the Medical School, to be led by former Governor Paul Cellucci who is being treated there for the disease.

In addition, President Wilson reviewed the results of one of his most successful initiatives -- the President's Science and Technology Fund. This is a program that invests in our leading faculty by providing them with seed grants to support their effort at securing federal, state and private R and D funds into UMass. To date, about \$7M of investment has helped leverage about \$145M in R and D funding to UMass.

Following President Wilson's report, we heard a very promising presentation from UMass Amherst Vice Chancellor for Research Mike Malone.

Vice Chancellor Malone presented the concept of a UMass Innovation Institute. This is proposed as a new vehicle to enable the University to do more applied research and development and work with industry to develop innovative new products and services.

This is a concept used by many leading research universities and will enable our faculty to complement the academic research they currently do. Vice Chancellor Malone explained that the concept would be piloted at Amherst and could be expanded to other campuses over time.

**Board of Trustees
June 8, 2011**

The concept was very well received by the Trustees, campus leadership at Amherst and the other campuses, and by President Wilson and President-Elect Caret. We were delighted to hear that following the meeting, President Wilson -- in consultation with President-Elect Caret -- has authorized the Amherst campus to "pilot" the concept.

The Innovation Institute holds great promise for further growing our research enterprise, increasing our partnerships with industry and enhancing our contributions to economic development in the Commonwealth.

Finally, Chancellor Keith Motley introduced a team from UMASS Boston and Dana Farber Cancer Institute that has developed an exciting collaboration focused on a new Center for Personalized Cancer Therapy. The UMass effort has been led by Dean Andrew Grosovsky.

Since its beginnings about 5 years ago, this partnership has generated nearly \$60M of federal and state funding for the two institutions. Their current focus is aimed at developing customized cancer therapies for different population groups in society, thereby reducing cancer disparities in society.

The UMass Boston/Dana Farber partnership is illustrative of the growing range and wide variety of collaborations that we're seeing across all the campuses in the system.

It was encouraging to hear the Deputy Director of one of the world's leading Cancer Centers sing the praises of the partnership with UMass Boston. Our heartiest congratulations to Chancellor Motley and his team for developing this exciting and effective collaboration.

Chairman Karam then announced the Board would enter **Executive Session** pursuant to MGL Chapter 75, Section 4, to consider **Appointments with Tenure, UMass Amherst, Boston, Dartmouth, Lowell, Worcester, Awards of Tenure, UMass Amherst, Boston, Dartmouth, Lowell, Worcester, Transfer of Tenure, UMass Amherst, UMass Dartmouth.**

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

It was moved, seconded and

VOTED: To enter into **Executive Session** pursuant to MGL Chapter 30A, s. 21(6), for the purpose of considering **Appointments with Tenure, UMass Amherst, Boston, Dartmouth, Lowell, Worcester, Awards of Tenure, UMass Amherst, Boston, Dartmouth, Lowell, Worcester, Transfer of Tenure, UMass Amherst, UMass Dartmouth.**

Chairman Karam voted for the motion as did Vice Chair Thomas, Trustees Collins, DiBiaggio, Fox, Johnston, Lampert, Osterhaus-Houle, Peters and Reville.

**Board of Trustees
June 8, 2011**

The time was 11:01 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees