

**UNIVERSITY OF MASSACHUSETTS**  
**AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER**

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

**Wednesday, February 6, 2013; 8:00 a.m.**  
**Amherst Room**  
**225 Franklin Street – 33<sup>rd</sup> Floor**  
**Boston, Massachusetts**

**Committee Members Present:** Chair Woolridge; Vice Chair Collins; Trustees Campbell, Gomez, Healy, Lee, Marvel, and Mullan; Ms. Lee (representing Trustee Malone); Chairman Thomas

**Committee Members Absent:** Vice Chair King-Shaw; Trustees Johnston, Furman, Malone and Peters

**University Administration:** President Caret; Senior Vice President Wilda; General Counsel Heatwole; Chancellors Collins, Grossman, Meehan, Motley and Subbaswamy; Ms. Craven, Executive Director UMass Building Authority

**Faculty Representatives:** Professor Tirrell, UMass Boston; Ms. Gibbs UMass Dartmouth

**Documents Used:**

- Financial Aid Report, Doc. T13-011
- Equal Employment Opportunity and Affirmative Action Report, Doc. T13-012
- Building Authority Update Doc. T13-033
- Quarterly Capital Project Update, Doc. T13-032
- UMass Financial Indicator Peer Comparison, Doc. T13-017
- Approval of Capital Projects, UMass Boston, UMass Dartmouth, Doc. T13-018
- Establishment of the Dr. Eileen L. Berman and Stanley I. Berman Foundation Chair in Biomedical Research, UMass Worcester, Doc. T13-014

Chair Woolridge convened the meeting at 8:08 a.m. and stated that the Committee had been provided with draft minutes for the December 5, 2012 Administration & Finance meeting and asked for any corrections. There were no corrections and the minutes were approved.

**Reports:**

**Chair's Report:**

Chair Woolridge welcomed the Committee and provided an update on the latest tax revenue collections reported by the State's Department of Revenue, which came in over benchmarks. He also noted the Administration's December emergency budget cut proposal and the potential for the legislature to reexamine this proposal given the strong revenue performance. Chair Woolridge then reviewed the agenda items as well as the action items before the Committee.

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**President's Report:**

President Caret began his remarks by noting that the state budget cycle was getting underway and that the Governor's budget included the 50/50 and provides approximately \$42 million more in state support. President Caret emphasized the importance of new revenues in the Governor's funding plan and that the legislature is not bound to the Governor's budget. President Caret added that the Governor's budget also provides key investments in various scholarship programs.

**Senior Vice President's Report:**

Senior Vice President Wilda expanded on the topic of the Governor's budget and reviewed the FY14 Governor's House 1 Budget. She noted that the University was given what it requested with some variation in collective bargaining funding. Senior Vice President Wilda also noted that the budget was predicated on new revenues. She added that there was discussion of drafting language for tuition retention and that she was working with the campuses to develop various budget scenarios.

Trustee Mullan asked if the University had plans to develop alternatives to avoid fee increases without new revenue. Senior Vice President Wilda replied that those scenarios are part of the discussion. Ms. Lee thanked President Caret and the Board for supporting the Governor's proposal and noted the comprehensiveness of Governor Patrick's education proposal, which spans from Early Education and K-12 to Higher Education. Ms. Lee added that the Governor appreciates the University's E&E efforts and would like to increase academic efficiencies as well.

**Discussion Items:**

Assistant Vice President Gorzkowicz provided an update on the University's **Financial Aid** Program. He highlighted key data at the system-level, including recent trends in Financial Aid Spending, Average Percentage of Student Need Met, and Total Student Debt. Trustee Campbell asked about changes in borrowing rates for non-need based financial aid. There was a discussion about increases in growing average debt. Ms. Lee asked about the availability of data on students who qualify for federal aid, but do not apply. President Caret noted additional financial aid related issues, including potential increases in the interest rate on federal loans, potential cuts to the Pell Grant Program, and new moves that may provide more financial aid funding to University's with success in graduating students in a timely way.

Trustee Campbell asked about the detail on the latter issue. Chancellor Meehan noted the shift from the state to the student in tuition costs and added that his preference would be, if necessary, to preserve financial aid and raise fees. Trustee Marvel emphasized the importance of keeping fees low and providing financial aid. Trustee Mullan asked about the possibility of providing an income tax program to help students that are servicing student debt. President Caret noted the Saxton Report and the recommendation on tuition retention and thought that a tax credit on student debt could be built into that thinking.

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Human Resources Director Preble presented a report on the University's **Equal Opportunity and Affirmative Action Efforts**. Additionally, campus representatives on Equal Opportunity and Affirmative Action presented on various programs and initiatives across the system.

Trustee Lee asked for clarification on Title IX responsibilities. Chancellor Subbaswamy replied that the Chancellor had the ultimate responsibility and that his office pays very close attention to campus issues. Ms. Lee asked about campus offerings on faculty mentoring and networking. There were descriptions of various on-campus programs for supporting faculty, staff and students.

Trustee Mullan emphasized that the University's "people strategy" was critical to its long-term success and that the University's data should be fused with other data, like that of AIM, the Census, and EOLWD, to show how UMass is responding to the needs of the Commonwealth.

Trustee Marvel asked if sexual harassment training is extended to students, like those in Greek life, as well as faculty and staff. It was clarified that students have access to training as well.

Chairman Thomas asked about the scope of the work on Equal Opportunity and Affirmative Action and noted the Building Authority's proactive steps on the procurement side for increasing diversity. Director Preble responded that the day's presentations focused on a slice of their work and that they also had much broader responsibilities which included work with procurement and other processes.

Executive Director Craven provided the **Building Authority Update** which included plans for a series of upcoming borrowings using both a traditional fixed rate as well as "just in time" borrowing. Executive Director Craven reviewed UMBA's marketing strategy for generating investor interest and discussed the potential of saving \$46 million in interest with this hybrid approach. Chair Woolridge asked about the details of the borrowing including interest rates and the term. Chairman Thomas inquired about length of the short-term. Ms. Filippone, UMBA's Chief Financial Officer discussed monitoring the market and the ability to switch the debt to a fixed rate when necessary. Trustee Lee asked about the implications of the "fiscal cliff". There was a discussion about predictions on the interest rates staying low for the near term.

Director Naughton provided the **Quarterly Capital Projects Update** and reviewed the three projects before the Committee for approval: the Boston campus Data Center; the classroom, laboratory and space improvements at Dartmouth; and the Healey Library at Boston.

Trustee Mullan asked if there was any state money in the Dartmouth project and then noted that the University was fixing facilities that it didn't own and that the Commonwealth was not contributing at all. Trustee Lee agreed that it was important that the state knows that the University is fixing these facilities.

Trustee Marvel stated that she appreciated the detail provided and liked additional information on how projects get to their final cost estimates. There was a discussion on the appropriate level of detail for Trustees on capital project budgets and the role of Trustees in the

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process. Trustee Campbell was cautionary on getting too mired in detail. Trustee Lee stated that it was a balance between the vetting process that takes place on campuses and how the project fits into an overall budget. Chair Woolridge and Chairman Thomas emphasized the importance of monitoring major overruns.

Chair Woolridge, on behalf of Trustee Furman, provided an **Update on the Efficiency and Effectiveness Task Force** meetings that took place in January. The Task Forces focused on Strategic Energy and IT and Chair Woolridge reviewed key system-wide initiatives in these areas. Trustee Furman noted the unprecedented level of collaboration and the need to become more sophisticated on quantifying the savings and cost avoidance for various University constituents.

Senior Vice President Wilda provided a report on the **UMass Financial Indicator Peer Comparison**. She reviewed key financial areas of peer institutions, including the operating margin, return on net assets, debt service to operations and the endowment per student.

**Action Items:**

Chair Woolridge asked for a motion to accept the **Equal Employment Opportunity and Affirmative Action Plans** of the Amherst, Boston, Dartmouth, Lowell and Worcester campuses of the University of Massachusetts as contained in Doc. T13-012. It was moved and seconded:

To recommend that the Board take the following action:

To accept the Equal Employment Opportunity and Affirmative Action Plans of the Amherst, Boston, Dartmouth, Lowell, Worcester campuses of the University of Massachusetts and the University of Massachusetts System Office as contained in Doc. T13-012.

The Chair asked for a vote and the motion was passed unanimously.

Chair Woolridge then asked for a motion to approve the **Establishment of the Dr. Eileen L. Berman and Stanley I. Berman Foundation Chair in Biomedical Research, UMass Worcester** as contained in Doc. T13-014. It was moved and seconded:

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 The Dr. Eileen L. Berman and Stanley I. Berman Foundation Chair in Biomedical Research at UMass Worcester. (Doc. T13-014)

The Chair asked for a vote and the motion was passed unanimously.

Chair Woolridge then asked for a motion for the **Approval of Capital Projects, UMass Boston, UMass Dartmouth** as contained in Doc. T13-018. It was moved and seconded:

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To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, to approve the following capital projects at the Boston and Dartmouth campuses to be initiated in the FY13-14 time period:

<b><u>Project Name</u></b>	<b><u>Total Project Cost Estimate</u></b> <b><u>January 2013</u></b>
<b>Boston Campus – Relocate Campus Data Center to Service and Supply Building</b>	<b>\$ 1,300,000</b>
<b>Dartmouth Campus – Classroom, Teaching Laboratories and Learning Space Improvements</b>	<b>\$11,440,000</b>

And further,

Pursuant to Trustee Policy T93-122, to approve the revised estimated total project cost of the following capital project at the Boston Campus to be initiated in the FY13-14 time period:

<b><u>Project Name</u></b>	<b><u>Total Project Cost Estimate</u></b> <b><u>January 2013</u></b>
<b>Boston Campus – Project BI.02.03</b>	
<b>Healey Building: Roof replacement</b>	<b>\$ 5,000,000</b>
<b>And Building Envelope repairs</b>	
<b>(Doc. T13-018)</b>	

The Chair asked for a vote and the motion was passed unanimously.

Chair Woolridge then asked for a motion to place the Action Items #1 and #2 on a Consent Agenda for the Board meeting and explained that the Board can approve all these items by a single vote, and that no discussion will be permitted.

It was moved and seconded to place the above matters on a Consent Agenda. The Chair called for a vote and the motion passed unanimously.

There being no other business, the meeting adjourned at 10:51 a.m.

Kate Wilkinson  
Staff Assistant