

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL SCHOOL•UMASSONLINE**

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

Wednesday, June 10, 2015; 8:00 a.m.

Amherst Room

225 Franklin Street – 33rd Floor

Boston, Massachusetts

Committee Members Present: Chair Buonomo; Trustees Campbell, Collins, Furman, Miller, Mullan, Thomas; Chairman Woolridge; Mr. Moreau (representing Trustee Peyser)

Phone Participation: Trustee Fubini

Committee Members Absent: Vice Chair King-Shaw; Trustees Johnston, Lee, O'Brien, Peters and Peyser

University Administration: President Caret; General Counsel Heatwole; Senior Vice President Wilda; Chancellors Subbaswamy, Motley, Grossman, Meehan (President-elect) and Collins; Executive Director Filippone, UMass Building Authority

Documents Used:

- Stoddard Chair of Pediatrics and the Pillar Chair in Biomedical Research, UMass Medical School, Doc. T15-053
- FY16 University Operating Budget, Doc. T15-054
- Mandatory Student Charges and Authorization to Approve other Charges for Academic Year 2015 – 2016, Doc. T15-055
- Authorization to Allocate FY16 State Appropriation, Doc. T15-056
- Quarterly Capital Project Update and Amendments to the University's Capital Plan, Doc. T14-089, as amended
- Financial Aid Presentation, Doc. T15-058

Chair Buonomo convened the meeting at 8:10 a.m. and stated that Trustees Fubini will be participating by telephone pursuant to 940 CMR 29.10(5), since he is distant from the meeting making it unreasonably difficult for him to attend in person.

Chair Buonomo stated that due to a full Board agenda and the need to keep the meeting moving forward in a constructive manner, any members of the Committee or others who wish to speak should do so through the Chair, noting that all speakers will be limited to three minutes.

Reports:

Chair's Report

Chair Buonomo provided an update on the State's revenue collections through May 2015 and commented on the *Boston Globe's* May article "*Who will bankroll UMASS*". Chair Buonomo provided an overview of the day's agenda.

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UMass Amherst students, Charlotte Kelly and Jeremy Tibbetts then addressed the Committee regarding the proposed technology fee. They expressed their concern that the new fee would create a hardship for students and contradicts the University's mission to preserve access and affordability.

President's Report

President Caret reported on the University's FY16 budget request and recommendations to the legislature to make sure the system has sufficient funding to maintain its present obligations, stay at or near the 50/50 funding plan and be able to pay the recently negotiated collective bargaining increases.

President Caret provided an update on collective bargaining. Twenty-four of the bargaining units requiring state approval from July 1, 2014-June 30, 2017 have been settled and collective bargaining agreements have been ratified by the unions. The University has requested \$13.1M in a separate reserve to fund the incremental costs associated with the first year of the new contracts for the 24 units; to-date \$2.2M has been appropriated in a separate reserve to fund a portion of the collective bargaining agreements. President Caret stated that the University will continue to request the remaining \$10.9M in state funding in order to pay the remaining obligations.

President Caret then reported that the tuition retention proposal would allow the University to rationalize tuition and fees that would be more transparent and consistent with the institution's peer group. President Caret also commented on the fees schedules, the release of the second UMass Performance Report *UMass Performance: Accountable and on the move*, and the timing of the budget.

Senior Vice President's Report

Senior Vice President Wilda reported on the 10 key metrics to help provide background information on the budget and fee discussion. The key metrics included faculty composition by position type, first year retention, 4-year graduation rates, 6-year graduation Rates, total R&D expenditures, cost of attendance vs. UMass peers & other regional comparisons, percent of need met for in-state students awarded need-based aid, state appropriation per student vs. tuition and fees per student operating margin and debt service ratio.

Trustees requested the socio economic breakdown of students who are succeeding in 4, 5, and 6 year increments, noting that data on the health of the University's investments would be helpful. A suggestion was also made to provide a definitive white paper or a document on the website that the public could view on the University's investments and trends. Senior Vice President Wilda stated that this is an active discussion and that metrics will be a supplemental guide with regard to the current E&E efforts that will help the system and campuses continue an upward trajectory.

Action Items:

Chair Buonomo requested approval of the **Establishment of the Stoddard Chair of Pediatrics and the Pillar Chair in Biomedical Research, UMass Medical School**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

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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 the Stoddard Chair of Pediatrics at the University of Massachusetts Medical School.

And further,

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish the Pillar Chair in Biomedical Research at the University of Massachusetts Medical School. (Doc. T15-053)

The Chair asked for a vote and the motion passed. Mr. Moreau abstained.

Chair Buonomo requested approval of the **FY2016 University Operating Budget, Approval of Mandatory Student Charges and Authorization for the President to Approve all other Charges for Academic Year 2015-2016** and **Authorization to Allocate the Fiscal Year 2016 State Appropriation**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Associate Vice President Gorzkowicz reported on the University's operating budget. He reported on changes from the previous year, and the cost drivers in the University's Operating budget. The cost drivers that the University continues to monitor are enrollment, financial aid investments, investments in staffing, capital investment, and rating agency and financial drivers. Associate Vice President Gorzkowicz also provided an update, from a system perspective, on the FY16 state budget process, an update on the FY15 operating budget, the strength of the University's performance for FY16, and an update on FY16 Operating budget.

There was discussion around how financial aid is defined and if the University is keeping up with its commitment to access and affordability.

Senior Vice President Wilda then reported on the proposed \$250 technology fee. She stated that no more than 5% will be proposed and noted that the majority of universities in the peer group charge some form of technology fee ranging from \$75-\$445. The new fee would go toward a necessary improved standard of network infrastructure and security.

It was moved and seconded.

To recommend that the Board take the following action:

To approve the FY2016 University Operating Budget and to authorize the President to approve changes, as needed, once the General Appropriations Act for FY2016 is signed into law. (Doc. T15-054)

The Chair asked for a vote and the motion passed. Mr. Moreau abstained.

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It was moved and seconded.

To recommend that the Board take the following action:

1. In accordance with Section 1A of Chapter 75 of the General Laws, and Policy T92-031, Appendix E, to authorize the President to approve, no later than June 30, 2015, or upon the General Appropriations Act for FY2016 becoming law, the individual rates for mandatory student charges, which includes tuition, the mandatory curriculum fee and all other mandatory student fees and to expand the mandatory technology fee to the Amherst and Dartmouth campuses. The total mandatory student charges shall not exceed the total rates as outlined below for the Amherst, Boston, Dartmouth and Lowell campuses for academic year 2015-2016:

Total Mandatory Student Charges	Amherst	Boston	Dartmouth	Lowell
Undergraduate (resident)	\$14,171	\$12,682	\$12,588	\$13,427
Undergraduate (regional)	\$23,567			
Undergraduate (non-resident)	\$30,504	\$29,920	\$26,173	\$29,125
Graduate (resident)	\$14,754	\$16,115	\$14,973	\$13,799
Graduate (regional)	\$24,657			
Graduate (non-resident)	\$29,974	\$31,115	\$26,173	\$24,478
Graduate Law School (resident)			\$24,541	
Graduate Law School (non-resident)			\$32,293	

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 which only includes graduate programs and does not include undergraduate programs for academic year 2015-2016:

Medical School	Tuition	Mand. Fees	Total
Medical School (resident)	\$8,352	\$17,158	\$25,510
Medical School (resident) Class of '19 and beyond	\$8,352	\$25,665	\$34,017
Medical School (non-resident)	\$0	\$58,517	\$58,517
PH.D/MD. (resident)	\$2,640	\$24,540	\$27,180
Ph.D/MD. Years 1-2 (non-resident)	\$9,856	\$37,357	\$47,213
Ph.D/MD. Years 3+ (non-resident)	\$9,856	\$27,501	\$37,357
Graduate School of Nursing (resident)	\$2,640	\$8,354	\$10,994
Graduate School of Nursing (non-resident)	\$9,856	\$8,354	\$18,210
Grad. School of Biomedical Science (resident)	\$2,640	\$4,326	\$6,966
Grad. School of Biomedical Science(non-resident)	\$9,856	\$4,326	\$14,182

2. 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, 2015, final student housing rent and food service charges providing that the average total charge to undergraduate Massachusetts resident students shall not exceed the standard rates for academic year 2015-2016:

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Room and Board (average rate)	Amherst	Boston	Dartmouth	Lowell
	\$11,503	N/A	\$11,626	\$11,670

3. And further, to authorize the President to approve, no later than June 30, 2015, individual fee rates for other student fees and student fee/revenue based operations charges not already approved by the Board for academic year 2015-2016. (Doc. T15-055)

Trustee Collins asked for clarification on the fee increase. Chair Buonomo stated that the fee increase is contingent on the state providing the requested funding from the University.

The Chair asked for a vote and the motion passed. Mr. Moreau abstained.

It was then moved and seconded.

To recommend that the Board take the following action:

To direct the President to allocate the amount appropriated for the University of Massachusetts in Line Item 7100-0200 of the General Appropriation Act for Fiscal Year 2016 to the campuses and the Central Administration of the University. (Doc. T15-056)

The Chair asked for a vote and the motion passed. Mr. Moreau abstained.

Chair Buonomo requested approval of the **Approval of Capital Projects**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Budget Director Pasquini provided an overview of the projects to go before the Board for a Preliminary campus estimate or first vote, Full project approval or second vote, or changes to project costs greater than 10%. She provided an update on projects for the Amherst campus which included the \$22M Old Chapel Renovations project, the \$10.1M Life Science Laboratory OIT Data Center Fitout project, and the \$18M Life Science Laboratory Backfill renovations project.

There was then a discussion regarding the \$22M Old Chapel Renovations project. There was a motion to amend the \$22M back to the original \$21M on the basis of continuance to provide transparency and to avoid circumventing the recently created policy. Chair Buonomo agreed and stated that as good stewards of the University, the policy should be upheld.

It was moved and seconded.

To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, as amended to approve the following projects under the second vote or “**Full Project Approval**” and to satisfy the University’s

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written request that the UMass Building Authority undertake these projects in accordance with Board of Trustees vote T14-090:

<u>Campuses</u>	<u>Project Name</u>	<u>Full Project Approval</u> <u>- June 2015</u>
Amherst	Old Chapel Renovations	\$21,000,000
Amherst	Life Sciences Laboratories, OIT Data Center Fitout	\$10,100,000
Amherst	Life Sciences Laboratories, Backfill Renovations	\$18,000,000

(Doc. T14-089, as amended)

Chair Buonomo asked for a motion and the motion passed. Mr. Moreau abstained. Trustee Campbell opposed.

Chair Buonomo then asked for a vote to place Action Items #1, #4 and #5 on a Consent Agenda for the Board meeting.

It was moved and seconded to place Action Items #1, #4 and #5 on a Consent Agenda. Chair Buonomo asked for a vote and the motion passed. Mr. Moreau abstained.

Chair Buonomo announced that due to the time constraint, the Affirmative Action Plans discussion, the Building Authority Update and the GASB 68 update are postponed until the September meeting.

There being no other business, the meeting adjourned at 10:55 a.m.

Christina Kelley
Assistant Secretary to the Board