

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

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

**Wednesday, September 9, 2015; 8:00 a.m.**

**Amherst Room  
225 Franklin Street – 33<sup>rd</sup> Floor  
Boston, Massachusetts**

**Committee Members Present:** Chair Buonomo; Trustees Campbell, Epstein, Fubini, Furman, Johnston, Miller, Mullan, O'Brien, O'Neil, Peyser, Roh and Thomas; Chairman Woolridge

**Other Trustees Present:** Trustee Manning

**Committee Members Absent:** Trustees Collins, Lee and Peters

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

**Documents Used:**

- Meeting Minutes: June 10, 2015
- Establishment of Endowed Professorships, UMass Amherst, Doc. T15-080
- Naming of the UMass Lowell College of Sciences as the William J. and John F. Kennedy College of Sciences, Doc. T15-081
- Policy for Creating and Establishing Board Policy and Standards, Doc. T13-093, as amended
- Authorization to Submit the University's FY17 Budget Request, Doc.T15-077
- Quarterly Capital Project Update and Amendments to the University's Capital Plan, Doc. T14-089, as amended
- Equal Employment Opportunity and Affirmative Action Plans, Doc.T15-057
- Building Authority Update, Doc.T15-059
- Report on the University's Sustainability Efforts, Doc.T15-087

Chair Buonomo convened the meeting at 8:08 a.m. and stated that there is a full Board agenda and he will need to keep the meeting moving forward.

Chair Buonomo then stated that the Committee was provided with draft minutes of the June 10, 2015 meeting and asked for any corrections. With no corrections, the minutes were approved.

**Reports:**

**Chair's Report**

Chair Buonomo provided an update on the state's revenue collections for the end of FY15 through August of FY16. State tax revenue collections totaled \$24.7 billion, up \$1.35 billion or 5.8% from year prior, and \$391 million over the benchmarks set for FY15. According to the DOR Commissioner, the overall fiscal year 2015 revenue performance reflects a strong state labor market and increased investment related income, including capital gains, interest and dividend income due to higher than anticipated income tax payments. Chair Buonomo emphasized the importance of capital support from the Commonwealth to the University.

Chair Buonomo noted that Senior Vice President Wilda and her team would continue to update the key metrics and report changes from the previous quarter allowing the committee to keep up with changes in an effort to contextualize data before it goes to the Board. He also stated that Senior Vice President Wilda will report on metrics changes pertaining to student debt and financial aid. Chair Buonomo noted the need to focus on E&E strategies to maintain access, improve quality and build international reputation.

**President's Report**

President Meehan provided an overview of the University's budget noting that the FY16 budget has been finalized. He commented that final GAA (General Appropriations Act) total \$531.8 million, which indicates an overall increase of \$12.8 or 2.5% above the original FY15 amount. However, the increase falls short of the University's request of \$578 million and falls short of the \$21 million needed to fund the FY16 collective bargaining costs of \$34 million which presents a challenge for the University.

President Meehan reported on tuition retention, noting that FY16 GAA provides for in-state tuition retention for the University starting FY17. This allows the University of Massachusetts to be on par with peer public colleges and Universities in the country. The budget also includes outside sections such as the STEM Advisory Council amongst other partnerships and initiatives the University aspires to work with.

President Meehan then reported on the collective bargaining issue. He stated that he agreed to pay the salary increases and has instructed that retroactive payments be made to the faculty and staff. President Meehan stated he is confident and is working to secure the additional \$10.9 million in the FY15 supplemental bill to fund the FY15 retroactive collective bargaining contracts. This fall, President Meehan will work with the Administration on FY17 budget submission.

The University's Capital Plan will continue to have support from the Baker Administration as indicated in the FY16-20 Capital Plan reflecting funding for priority projects currently underway at the various UMass campuses. President Meehan reported that he plans to work with the Governor's Workforce Skills Cabinet in an effort to discuss future plans that will include priority projects excluded this round and strategize on methods to deal with the need for higher education bonds going forward. President Meehan expressed his commitment to the University's E&E efforts.

**Senior Vice President's Report**

Senior Vice President Wilda commented on the importance of metrics that indicate how well the campuses maintain quality, build student success and how they impact the University's financial metrics. The data presented reflected an increase in first year retention rates for each campus. Discussion ensued about what the increases in retention rates means for each campus. President Meehan stated the data suggests that students that live on campus have higher rates of academic success which is also a trend for other institutions. Senior Vice President Wilda also discussed 4 year and 6 year graduation rates. Data suggests that campuses are on target.

Trustees Fubini and Furman commented that the University has a long way to go based on data trends and absolutes, and questioned why the numbers and targets were low. Trustees requested to see data at higher targets of approximately 5% for 4 year graduates and what the numbers would look like economically. Chancellor Motley expressed his gratitude to President Meehan for acknowledging transfer students on graduation rates data in the aggregate and stated that it would make a difference in the 4 year graduation rates.

Senior Vice President Wilda provided an overview of the University and each campus's total R&D expenditures, need met, operating margin and debt service ratio. Trustee Fubini expressed concerns about the low operating margin trend given the fact that the measurement is from 2009 to present. He suggested that the Medical School be extracted from the operating margin metrics and be addressed quarterly. Chairman Woolridge added that the metrics need to be revisited and redefined.

**Action items:**

Chair Buonomo requested approval of the **Establishment of Endowed Professorships, UMass Amherst**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Chancellor Subbaswamy stated that the Amherst campus is appreciative of the continued support and generosity of the Berthiaume family.

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 Berthiaume Endowed Professorship in Business Administration at the University of Massachusetts Amherst.

And further,

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish the Berthiaume Endowed Professorship in Business at the University of Massachusetts Amherst.

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And further,

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish the Douglas and Diana Berthiaume Endowed Professorship at the University of Massachusetts Amherst. (Doc. T15-080)

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

Chair Buonomo requested approval of the **Naming of the UMass Lowell College of Sciences as the William J. and John F. Kennedy College of Sciences**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Chancellor Moloney commented on the \$10 million gift and thanked the Kennedy Family and President Meehan for his involvement as Chancellor of UMass Lowell.

It was moved and seconded.

To recommend that the Board take the following action:

To name the UMass Lowell College of Sciences as the William J. and John F. Kennedy College of Sciences, and to accept with sincere gratitude the generous gift of John F. Kennedy (class of 1970). (Doc. T15-081)

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

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

Senior Vice President Wilda reported that the purpose of revisions is to broaden the scope of the policy to include fiscal policies and IT policies which lay out the process and involvement by which policies come to the Board.

It was moved and seconded.

To recommend that the Board take the following action:

To approve the revisions to the Policy for Creating and Establishing Board Policy and Standards. (Doc. T13-093, as amended)

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

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Chair Buonomo requested approval of the **Authorization to Submit the University's Fiscal Year 2017 Budget Request**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Senior Vice President Wilda reported that the University and all state agencies annually submit a budget request and the vote allows President Meehan to submit the University's budget request in a timely manner. Trustee Peyser asked if the Board reviews the budget before the President submits it and requested they meet to discuss the budget request before it goes to the Legislature. Trustee Fubini stated that the Board should be included in setting the standards the President managed in the past. Senior Vice President Wilda noted that the Commonwealth sets the standards for the budget.

Chair Buonomo then made a motion to approve the action item with the caveat that the Board meet to review the budget request before the submission deadline.

It was moved and seconded.

To recommend that the Board take the following action:

To authorize the President to prepare and submit the University's Fiscal Year 2017 State Budget request per the Board's Governance policy (T73-098) and to submit the State funding formula pursuant to Section 15B of Chapter 15A of the General Laws.

And further,

To have a meeting by December 2015 to discuss the budget process. (Doc. T14-077)

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

Chair Buonomo requested approval of the **Amendments to the University's Capital Plan**. 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 update on the quarterly project votes, changes to the capital plan since December 2014, state capital plan update, University dashboards, campus overviews, and the definition of the phases.

She reported that the Isenberg School of Management Renovations and Addition was the only project requiring Board approval for a revised preliminary campus update. Due to factors that include cost escalation since 2011, more on site utility work for the addition, renovations, and code upgrades, the original campus project estimate (2011) was \$40 Million; the revised estimate is now \$62 million which will initially be funded through borrowing; with the debt to be repaid through fundraising and ongoing revenue generating operations. Additionally, there is one

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other project that received initial approval based on preliminary campus updates that is ready for full project approval; the Expansion and Upgrade to the Central Chilled Water Plants.

Budget Director Pasquini noted that five priority University projects included SMAST/DMF Expansion, \$55 million; Physical Sciences Building at Amherst, \$101 million; Pulichino/Tong School of Business Building at Lowell, \$45 million; Utility Corridor and Roadway Relocation Project (UCRR), \$165 million; and the Integrated Learning Center at Amherst, \$93.3 million. She reported that there are other priority projects excluded this cycle and the University has been invited to participate in the planning process to inform development of future capital plans and potentially the next High Ed Bond Bill.

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 first vote or “**Preliminary Campus Estimate**” and to satisfy the University’s 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>Preliminary Campus Estimate – September 2015</u>
Amherst	Isenberg School of Management Renovations and Addition	\$62,000,000

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 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 – September 2015</u>
Amherst	Expand and Upgrade Central Chilled Water Plants (Doc. T14-089, as amended)	\$38,000,000

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

Chair Buonomo then asked for a vote to place Action Items #1-5 on a Consent Agenda for the Board Meeting.

It was moved and seconded to place Action Items #1-5 on a Consent Agenda. Chair Buonomo asked for a vote and the motion passed unanimously.

**Discussion Item:**

Associate Vice President for Labor Relations Preble provided an update on the University's **Equal Employment Opportunity and Affirmative Action Plans**. He reported on data for all of the campuses and all job groups. Associate Vice President Preble commented that in viewing the data, it is important to note that the campuses use a different set of data than the National Census data. He then reported on the University's plan to implement a dashboard that will track in real time data from each campus.

**Informational Items:**

Executive Director Filippone provided the **Building Authority Update**. She reported on the design and construction phases of 47 UMBA capital projects and commented on \$1.785 billion of activity initiated. She also noted that 9 UMBA projects have reached phase 9A construction completion.

Chair Buonomo stated that the **Sustainability Report** was provided on Boardvantage.

Chair Buonomo then asked the Committee to vote to enter into **Executive Session** to discuss **the potential for a real estate transaction for the University of Massachusetts Boston**, as permitted under Chapter 30A, Section 21 a(6), since a discussion in open session would have a detrimental effect on the University's negotiating position.

Chair Buonomo announced that the Committee would not reconvene in open session.

It was moved and seconded and the Secretary called the roll with each Trustee asked to vote yes or no to enter in Executive Session for the purpose listed. Chair Buonomo voted for the motion as did Trustees Fubini, Furman, O'Brien, O'Neil, Peyser and Thomas. Chairman Woolridge also voted for the motion.

The time was 9:55 a.m.

Christina Kelley  
Assistant Secretary to the Board