

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

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

Thursday, November 29, 2018; 9:30 a.m.

Amherst Room

University of Massachusetts Club

One Beacon Street – 32nd Floor

Boston, Massachusetts

Committee Members Present: Chair Karam; Vice Chair O'Brien; Trustees Epstein, Fubini, Furman, Nair, Peyser, Phimmasone, Tariq, Tolman and Woolridge

Other Trustees: Trustees Paris Jeffries and Scheibel

Committee Members Absent: Trustees Madigan, Thomas and Wu

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Newman, Johnson, Moloney and Collins

Faculty Representatives: Professor Hoagland, UMass Amherst; Professor Lublin, UMass Boston; Professor Abdallah, UMass Lowell

Documents Used:

- Meeting Minutes: September 12, 2018
- Approval of Changes to the University's Capital Planning, Land and Facility Use Policy, Doc. T93-122, as amended
- Approval of Changes to the Approved Capital Projects List (Vote 2), (related to the FY2019 – FY2023 Capital Plan), Doc. T18-064, as amended
- University's Five-Year Financial Forecast, Doc. T17-060
- 2018 Annual Clergy Report, Doc. T18-077
- Annual Sustainability Report, Doc. T18-078

Chair Karam convened the meeting at 9:43 a.m.

Consideration of Minutes of the prior meeting of the Committee

Chair Karam stated that the Committee was provided with draft minutes of the September 12, 2018 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair's Report

Chair Karam provided an overview of the day's agenda noting two action items for vote, one discussion item and two information items.

President's Report

President Meehan reported that the University has made significant strides in planning, financial reporting, and forecasting through a strategic roadmap intended to drive improvement in oversight, internal controls, transparency, and risk management to maintain financial health and accountability. He stated that Moody's affirmed the University's Aa2 credit rating from negative to stable subsequent the University's new measures designed to ensure long-term fiscal health which include a new reserve policy and the establishment of a stabilization fund.

He provided an overview of the agenda items and indicated that the Administration and Finance team are in the process of reviewing the FY19 assumptions particularly relating to enrollment. He discussed the importance of a comprehensive forecast for planning purposes and as a tool to ensure that budget assumptions are supported and address areas where the University may fall short of those assumptions.

President Meehan highlighted how the improvements made in fiscal transparency, accountability and oversight have position the University to be more informed, responsive, and more nimble in reacting to system-wide data. He commented on the University's commitment to continuous improvement in areas necessary for UMass to thrive in the current higher education market and the Commonwealth's fiscal environment.

President Meehan provided an update on the state budget. The University anticipates the Administration's budget to be released in January followed by the House and Senate recommendations in the spring. President Meehan reaffirmed his commitment to work with State leaders as they go through another challenging budget cycle.

Senior Vice President's Report

Senior Vice President Calise provided an update on the A&F Roadmap. She highlighted key opportunities and operational improvements which included, but was not limited to, an improved shared services plan, efficiency and effectiveness efforts, and a redesigned business process, *We Are Better Together*. She stated that the A&F team is developing a quarterly close process for implementation. She also highlighted key improvements of the FY2018 financial statements and noted that the University's control deficiency regarding the annual financial close has been remediated.

She provided an update on the University's FY19 Enrollment data and noted that all campuses with the exception of the Dartmouth campus experienced growth in FY18. FY19 actual total enrollment grew by 1.1%. Regarding FY19 budget, total enrollment fell -.08% short of the budget, the Boston and Medical School campuses exceeded the budget while the Amherst, Dartmouth and Lowell campuses were below budget.

Public Speakers (UMass Amherst)

Amelia Marceau, Emma Kinney, Barkha Bhandari, and James Cordero students of the UMass Amherst campus addressed the Committee and provided their personal experiences with student debt, access, and affordability. They encouraged the Board to support their efforts by lobbying legislators to fully fund a budget request that would freeze tuition on March 21st, Advocacy Day.

Action Item #1: Approval of Changes to the Capital Planning, Land and Facility Use Policy, Doc. T93-122, as amended

Chair Karam requested the approval of the Changes to the Capital Planning, Land and Facility Use Policy. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion. It was moved and seconded.

To recommend that the Board take the following action:

To approve changes to the University’s Capital Policy and to otherwise implement this policy as amended.

Associate Vice President Gorzkowicz provided the background for the purpose of the action item.

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

Action Item #2: Approval of Changes to the Capital Projects List (Vote 2) (related to the FY2019 – FY2023 Capital Plan), Doc. T18-064, as amended

Chair Karam requested the approval of the Changes to the Capital Projects List (Vote 2)(related to the FY2019 – FY2023 Capital Plan). He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion. 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**; the adoption of such vote hereby satisfies the University’s written request that the University of Massachusetts Building Authority undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended and Board vote T18-056:

Campus	Project Name	Preliminary Campus Estimate (First Vote)	Full Project Approval (Second Vote)	Funding Sources			
				Local Funding	External Funding	Borrowed Funding	State Funding
UMA	Student Union Building	\$55,000,000	\$62,000,000	-	-	\$62,000,000	-
UMMS	Animal Quarters A Level Renovations (HVAC, Cage Wash, and Holding Rooms)	\$14,500,000	\$14,500,000	\$14,500,000	-	-	-

Assistant Vice President Pasquini provided the background for the purpose of the action item.

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

Consent Agenda

Chair Karam asked for a vote to place Action Items #1 and 2 on a Consent Agenda for the Board meeting. It was moved and seconded to place Action Items #1 and 2 on a Consent Agenda.

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

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Discussion Item #1: Review of the University's Five-Year Financial Forecast, Doc. T17-060

Assistant Vice President Pasquini provided the University's forecast assumptions. She also provided an overview of the fiscal outlook highlighting key takeaways that the University will continue to analyze and how they impact the assumptions of the forecast. She then discussed graduation and retention rates and enrollment trends and which new and continuing strategies are drivers of said trends.

Associate Vice President Gorzkowicz discussed the University's investment in financial aid, expense drivers, and what impact it has on graduation rates and enrollment. He commented on the A&F team's next steps with regard to implementing their strategic plan given the data presented and the financial assumptions. He indicated that the Board would receive an updated forecast at the April committee meeting.

Discussion ensued.

Informational Items #1 & #2: 2018 Annual Clery Report, Doc. T18-077 and Annual Sustainability Report, Doc. T18-078

Chair Karam informed the Committee that the Annual Clery and Sustainability reports were accessible on Boardvantage for their viewing.

There being no further business, the meeting adjourned at 11:33 a.m.

Christina A. Kelley
Assistant Secretary to the Board