

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

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

**Friday, July 13, 2018; 8:00 a.m.
Faculty Conference Room
University of Massachusetts Medical School
55 Lake Avenue North
Worcester, Massachusetts**

Trustees Present: Chairman Manning; Vice Chair Peters; Trustees Buonomo, Burns, Epstein, Fubini, Furman, Karam, Madigan, O'Brien, Osterhaus-Houle, Paris Jeffries, Phimmasone, Thomas, Tariq and Woolridge

Trustees Absent: Trustees Mallett, Nair, Peyser, Scheibel, Tolman and Wu

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

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

Documents Used: -Meeting Minutes: April 6, 2018 (Open & Executive Session)

Chair Manning convened the meeting at 8:05 a.m. and thanked Chancellor Collins and his team for hosting the Board.

Chair's Report

Chairman Manning introduced and welcomed the new student Trustees: Jiya Nair, UMass Amherst; Sara Tariq, UMass Boston; Silavong Phimmasone, UMass Dartmouth; Brian Madigan, UMass Lowell; and Katherine Mallett, UMass Medical School. He congratulated them on being selected by their peers to represent their interests on the Board of Trustees.

Chairman Manning welcomed Katherine Newman to her first meeting as Interim Chancellor of UMass Boston and expressed the Board's support as she defines her priorities and builds on the progress made on the campus.

Chair Manning provided an overview of the day's agenda: reports by President Meehan and Senior Vice President Calise, presentations on the FY19 budget and 2018-2019 student charges.

President's Report

President Meehan welcomed the new student Trustees and stated that he is committed to making himself and staff members available to answer any questions as they transition into their new roles. He also urged them to build relationships with the Board.

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President Meehan thanked Katherine Newman for accepting the appointment as Interim Chancellor of UMass Boston. She is uniquely qualified to lead UMass Boston at this critical point. He also thanked Trustee Henry Thomas and the members of the UMass Boston Chancellor's Search Committee for their work, time and energy invested in that important process, and for their dedication to the University.

President Meehan provided updates around enrollment and demographics, efficiency and effectiveness, collective bargaining, and budget and tuition.

In June, the President's Office hosted the first system-wide "Congress" on the demographic decline in the college age population in New England, which was led by then Senior Vice President Newman. Economist Nathan Grawe, the leading thinker on the question of demographic decline in higher education was the main speaker. Demographic forecasts suggest that the four UMass undergraduate campuses can expect to see significant declines in traditional first-time freshman students. Potential system-wide strategies from the challenges stemming from the demographic changes might include developing new out-of-state markets; better coordination with community colleges in Massachusetts; improving retention and graduation rates; retaining and graduating current students; and increasing capacity and scale in online education.

President Meehan stated that while continued focus on enrollment is critical, the University must do everything possible to ensure that it is operating as efficiently as it can. He noted that in her report, Senior Vice President Calise will describe some of the strategic initiatives underway, and that she has been asked to be responsive to requests from Trustees and others to improve data and analyses provided in materials to the Board, and to seek input on how certain data should be presented. Ismael Carreras, the Chief Data Strategist and Director of the Analytics Group was welcomed to the President's Office.

President Meehan reported that UMass has received a commitment from the Baker administration that it will file for supplemental funding which would fund the State's share of collective bargaining costs, if appropriated by the Legislature. He thanked the Governor, Secretary Peyser and Secretary Heffernan for their support and stated that UMass is committed to good faith bargaining with all of its unions, with the shared goal of providing meaningful wage increases while maintaining an affordable, world-class education for the students.

President Meehan stated that the Board is being asked to approve the University's FY19 operating budget and to set tuition rates for the upcoming academic year. He cited the University's revised outlook, by Moody's, from negative to stable and affirmation of a Double-A-2 credit rating, as well as Standard and Poor's reaffirmation of a Double-A-minus credit rating and stable outlook.

Consideration of Minutes of the Board

Chairman Manning stated that the Board was provided with the draft meeting minutes of the April 6, 2018 open and executive sessions and asked for any corrections. With no corrections, the minutes were approved.

Senior Vice President's Report

Senior Vice President Calise provided an overview of the A&F Roadmap which included operational improvements to the plan such as enhanced quarterly reporting, the A&F Executive Dashboard, Enterprise Risk Management, a 'We Are Better Together' business process redesign, and policies and procedures development.

She provided an update on the 3rd Quarter of FY18, noting the Rating Agency's stable outlook. Moody's Aa2 credit rating affirmed and revised the University's outlook from negative to stable. She stated that there is a manageable plan for future borrowing. Senior Vice President Calise stated that a report on student enrollment rates will come before the Board in the fall.

Senior Vice President Calise highlighted FY19 Budget which included, a total budget of \$3.4 billion, an operating surplus of \$37 million or 1.1% operating margin, enrollment growth to 65,760 FTEs—1.9% or \$15.1 million, and in-state and out-of-state tuition increases. She stated that efforts are underway to develop a strategic business plan for online, and noted that Don Kilburn, UMassOnline's Chief Executive Officer, will report on the plan in the fall.

Action Items:

University's FY19 Operating Budget; Mandatory Student Charges and Authorization to Approve other Charges for the Academic Year 2018-2019 for UMass Amherst, Boston, Dartmouth and Lowell; Authorization to Allocate the FY19 State Appropriation

Chair Manning then asked Vice President Calise and her team to present on Action Items #1-#3 relating to the budget and the proposed tuition and fee increases for the upcoming academic year. He stated that since the action items were related to the University's FY19 budget, he would be asking for a single vote on them.

Assistant Vice President Pasquini provided an overview of the FY19 budget and the proposed tuition increase. She discussed the revenue assumptions including specific assumptions unique to each campus. She discussed enrollment and provided a summary of the tuition rate increases. Tuition on the campuses will increase by 2.5% for in-state undergraduates, 3% for out-of-state undergraduates, and 3% for graduates with the exception of the Lowell campus. On average, students will see a \$360 increase.

She also reported on the expense assumptions and drivers noting that collective bargaining is a major driver. Salaries and fringe is the University's largest expense and discussion are underway to negotiate contracts and bargain in good faith with the unions.

Trustees Phimmason and Tariq expressed their concerns about the tuition increase from the students' perspective and urged the Board to think about the students when setting tuition rates.

Chair Manning then asked for a motion to approve the University's FY19 Operating Budget, the Mandatory Student Charges and Authorization to Approve other Charges for the Academic Year 2018-2019 for UMass Amherst, Boston, Dartmouth and Lowell, and Authorization to Allocate the FY19 State Appropriation. It was moved and seconded.

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VOTED: To approve the University’s Fiscal Year 2019 Operating Budget and to authorize the President to approve changes, as needed, based on the final General Appropriations Act for Fiscal Year 2019 and any changes made to it during the fiscal year. (Doc. T18-044)

And,

VOTED: 1. In accordance with Section 1A of Chapter 75 of the General Laws, and Policy T92-031, Appendix E, as amended to authorize the President to set the individual Tuition and Mandatory Fee (Technology Fee and Student Activity Fee) rates for the Amherst, Boston, Dartmouth, and Lowell campuses. The Tuition and Mandatory Fees at each campus is as outlined below for the academic year 2018-2019:

<u>Tuition & Mandatory Fees</u>	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (in-state)	\$15,887	\$14,167	\$13,921	\$15,180
Undergraduate (regional)	\$27,633	\$26,779	\$18,853	\$26,441
Undergraduate (out-of-state)	\$34,570	\$33,966	\$29,141	\$32,827
Graduate (in-state)	\$16,524	\$18,251	\$16,337	\$15,060
Graduate (regional)	\$28,308	\$29,414	\$20,702	\$22,871
Graduate (out-of-state)	\$33,625	\$35,287	\$29,141	\$26,840
Graduate Law School (in-state)			\$28,251	
Graduate Law School (regional)			\$30,121	
Graduate Law School (out-of-state)			\$36,900	

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 final student housing rent and food service charges for academic year 2018-2019.

<u>Room and Board</u>	<u>Amherst</u>	<u>Boston*</u>	<u>Dartmouth</u>	<u>Lowell</u>
	\$12,626	\$5,390	\$13,299	\$12,748

*Dining only

3. And further, to authorize the President to approve individual fee rates for other fees and fee/revenue based operations charges as needed during the academic year 2018-19. (Doc. T18-045)

And,

VOTED: 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 2019 to the campuses. (Doc. T18-046)

Trustees Phimmason and Tariq voted no on the motion. Trustee O’Brien abstained.

Amendments to the University’s Capital Plan

Associate Vice President Gorzkowicz then provided an update to the approved capital project list. He discussed three projects coming to the Board for a first vote based on this quarter’s preliminary estimates: The Goessman School of Public Health and Health Sciences Renovations, and the McGuirk Seasonal Bubble & Enhancements at UMass Amherst; and the Science & Engineering Facility Renovations at UMass Dartmouth. He also reported on two projects requiring a second Board vote based on the completion of phases 1-4 this quarter: The Worcester Dining Commons at UMass Amherst, and the New Housing and Dining Facility at UMass Dartmouth. Discussion ensued around the New Housing and Dining Facility at UMass Dartmouth.

Chair Manning then asked for a motion to approve the Amendments to the University’s Capital Plan. It was moved and seconded.

VOTED: Pursuant to Trustee Policy T93-122, as amended, to approve the following projects under the first vote or “**Preliminary Campus Estimate**”:

Campus	Project Name	Preliminary Campus Estimate	Funding Sources				P3
			Local Funding	External Funding	Borrowed Funding	State Funding	
UMA	Goessmann, SPHHS Renovations	\$14,300,000	-	-	\$14,300,000	-	-
UMA	McGuirk Seasonal Bubble & Enhancements	\$13,000,000	\$7,000,000	\$6,000,000	-	-	-
UMD	SENG Renovations	\$54,400,000	\$9,400,000	-	\$20,000,000	\$25,000,000	-

And further, 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 projects in accordance with Board of Trustees vote T16-058:

Campus	Project Name	Preliminary Campus Estimate (First Vote)	Full Project Approval (Second Vote)	Funding Sources				P3
				Local Funding	External Funding	Borrowed Funding	State Funding	
UMA	Worcester Dining Commons Renovation	\$45,000,000	\$65,000,000	\$10,000,000	-	\$55,000,000	-	-
UMD	New Housing/Dining Facility	\$133,900,000	\$133,900,000	-	-	\$26,100,000	-	\$107,800,000

(Doc. T16-067, as amended)

Trustee Epstein voted no to the New Housing and Dining Facility at UMass Dartmouth.

Out-going Trustee

Chairman Manning then acknowledged Trustee Buonomo’s last meeting, as his appointment on the Board has ended. President Meehan thanked Trustee Buonomo for his service and commitment to the University.

Trustee Buonomo reflected on his time as a Trustee and as Chair of the A&F Committee. He is pleased with the progress made by the University and its management team. He noted three challenges he sees ahead for the University based on his review of the financial information shared with the Board over the past year: 1) The University needs to know how much it can afford to spend on an annual basis in support of its capital program, especially knowing the University’s Debt Coverage ratio and Debt Burden ratio are not in line with peers. 2) He sees the growth in

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expenses, as compared to inflation and other revenue metrics, as an area for further attention. 3) More can be achieved working together – efforts must be made to implement a true shared services center in the President’s Office.

Executive Session Announcement

Chair Manning then asked for a vote to enter into Executive Session pursuant to Massachusetts General Law, Chapter 75, Section 4, for the purpose of considering Honorary Degrees, UMass Boston. He stated that the meeting 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 into Executive Session for the purpose listed. Chair Manning voted for the motion as did Vice Chair Peters; Trustees Buonomo, Burns, Epstein, Fubini, Furman, Karam, O’Brien, Osterhaus-Houle, Paris Jeffries, Phimmasone, Thomas, Tariq and Woolridge.

The time was 9:56 a.m.

Zunilka Barrett
Secretary to the Board of Trustees