

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL•LAW•ONLINE**

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

Monday, July 20, 2020; 9:00 a.m.

Remote Meeting

**Pursuant to the Governor's Order Suspending Certain Provisions of the
Open Meeting Law, G.L. c.30A, §20 dated March 12, 2020**

Committee Members Present: Chair Karam; Vice Chair O'Brien; Trustees Callahan, Cruz-Gordillo, Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu

Other Trustees: Trustees Burns, Kelleher, Paris Jeffries, Ramos Gagliardi and Scheibel

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

Documents Used:

- Meeting Minutes: December 5, 2019
- Establishment of Endowed Chairs, UMass Medical School, Doc. T20-019
- Renaming of Kitson Hall to Shah Hall, UMass Lowell, Doc. T20-026
- FY2021 University Operating Budget, Doc. T20-024
- Mandatory Student Charges and Authorization to Approve other Charges for Academic Year 2020-2021, UMass Amherst, Boston, Dartmouth, Lowell, T20-011
- Authorization to Allocate the Fiscal Year 2021 State Appropriation, T20-025

Chair Karam convened the meeting at 9:05 a.m.

Chair Karam stated that the Governor of Massachusetts issued an executive order on March 12, 2020, effective immediately. Under the Emergency Order, All members of the Board may participate by remote virtual means, without affording public access to the physical meeting locations, as long as they are engaged with adequate and alternative means of access available.

Any member of the public wishing to address the Board regarding an agenda item or issue related to the agenda, or to make an audio or video recording of the open public session of the Board meeting, was provided notice by the Secretary of the Board through a posting indicating that such written requests needed to be received no later than 24 hours prior to this Board meeting.

Governor's Executive Order is a temporary measure, which will remain in place until it is rescinded or the state of emergency, that was declared March 12, is terminated.

Chair Karam asked that Chief Information Officer John Letchford provide instructions for the virtual meeting via Zoom.

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Chief Information Letchford outlined the procedure for participating in the virtual meeting.

Consideration of Minutes of the prior meeting of the Committee

Chair Karam stated that the Committee was provided with the draft minutes of the December 5, 2019 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Karam then announced the meeting's agenda.

President's Report

President Meehan welcomed the new trustees to the Administration and Finance Committee. He then informed the Committee that he and Senior Vice President Calise provided a presentation to the Board of Higher Education on the impact the COVID-19 pandemic has on the FY21 budget. He stated that the COVID-19 pandemic is affecting major sources of revenue and creating uncertainty in enrollment at colleges and universities across the country, and UMass is included. He stated that Cash flow monitoring and forecasting is a critical component of the University's management strategy. President Meehan is committed to making sure that every campus achieves at least a 0% operating margin with limited use of one-time revenues as the impact of this crisis will extend beyond FY21. He provided an overview of the action items and provided key takeaways for FY21. President Meehan provided an update on the Unified Procurement Services Team (UPST). He shared the success of the University's new shared services which help maintain access and affordability, enhance quality, and invest in strategic priorities that augment the \$124 million in savings achieved through the University's efficiency and effectiveness efforts. He also provided an update on the state's budget and the impact of budget reductions.

Senior Vice President's Report

Senior Vice President Calise discussed the FY20 and FY21 operating budget. She informed the Committee that the FY21 budget is currently balanced. However, there are still significant uncertainties. She discussed the accountability framework and provided the FY21 budget assumptions. Enrollment reductions are budgeted at 5%. She discussed the impact COVID-19 has on the workforce. She also discussed the solutions each campus and the President's Office have identified to achieve a balanced budget and maintain operations amid the pandemic.

Action Item #1: Establishment of Endowed Chairs, UMass Medical School, Doc. T20-019

Chair Karam requested the approval of the Establishment of Endowed Chairs at the 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. It was moved by Trustee Woolridge and Trustee Dunlea 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 Katz Family Chair in Psychiatry at the University of Massachusetts Medical School.

And further,

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In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws: to establish the Remondi Family Chair in Biomedical Research at the University of Massachusetts Medical School.

Chancellor Collins provided the background for the purpose of the action item.

The Chair then asked for a roll call vote and Secretary Barrett called the roll with each Committee member asked to vote yes or no. Chair Karam voted for the motion as did Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu. Vice Chair O'Brien was present for the meeting but absent for the vote.

Action Item #2: Renaming of Kitson Hall to Shah Hall, UMass Lowell, Doc.T20-026

Chair Karam requested the approval of the Renaming of Kitson Hall to Shah Hall, UMass Lowell. 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 by Trustee Epstein and Trustee Tolman seconded.

To recommend that the Board take the following action:

To rename Kitson Hall at the University of Massachusetts Lowell to Shah Hall in recognition of the generous gift of Bhupen and Ramika Shah and in honor of their outstanding commitment to the campus.

Chancellor Moloney provided the background for the purpose of the action item.

The Chair then asked for a roll call vote and Secretary Barrett called the roll with each Committee member asked to vote yes or no. Chair Karam voted for the motion as did Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu. Vice Chair O'Brien was present for the meeting but absent for the vote.

Action items #3, 4 and 5: FY2021 University Operating Budget, Doc. T20-024; Mandatory Student Charges and Authorization to Approve other Charges for Academic Year 2020-2021 at UMass Amherst, Boston, Dartmouth, Lowell, Doc. T20-011; and Authorization to Allocate the Fiscal Year 2021 State Appropriation, Doc. T20-025

Chair Karam stated that Action items #3, 4, and 5 are budget related and Senior Vice President Calise and her team would be providing a presentation on the three items.

Chair Karam requested a motion to approve the FY2021 University Operating Budget; the Mandatory Student Charges and Authorization to Approve other Charges for Academic Year 2020-2021 at UMass Amherst, Boston, Dartmouth, Lowell; and the Authorization to Allocate the Fiscal Year 2021 State Appropriation. He then asked for a motion. It was moved by Trustee Epstein and Trustee Woolridge seconded.

To recommend that the Board take the following action:

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To approve the University’s Fiscal Year 2021 Operating Budget and to authorize the President to approve changes, as needed, based on the final General Appropriations Act for Fiscal Year 2021 and any changes made to it during the fiscal year.

And,

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, as amended to authorize the President to approve the individual Tuition for the Amherst, Boston, Dartmouth, and Lowell campuses that will include freezing in-state undergraduate tuition at the FY20 rates. Based on the 0% increase to in-state undergraduate tuition, the Tuition and Mandatory Fees at each campus is as outlined below for academic year 2020-21:

<u>Tuition & Mandatory Fees</u>	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (in-state)	\$16,439	\$14,697	\$14,408	\$15,698
Undergraduate (regional)	\$29,490	\$25,337	\$19,556	\$27,238
Undergraduate (out-of-state)	\$36,427	\$35,159	\$30,153	\$33,624
Graduate (in-state)	\$16,999	\$18,938	\$16,965	\$15,210
Graduate (regional)	\$29,944	\$32,763	\$21,460	\$23,021
Graduate (out-of-state)	\$35,261	\$36,485	\$30,153	\$26,990
Graduate Law School (in-state)			\$29,236	
Graduate Law School (regional)			\$31,162	
Graduate Law School (out-of-state)			\$38,144	

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 2020-21.

<u>Room and Board</u>	<u>Amherst</u>	<u>Boston*</u>	<u>Dartmouth</u>	<u>Lowell</u>
Room	\$7,462	\$10,024	\$9,482	\$8,820
Board	\$5,867	\$5,717	\$5,233	\$4,560

*Board 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 2020-21.

And,

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 2021 to the campuses.

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Senior Vice President Calise provided a summary of the University's Operating Plan. She stated that there is a \$14 million post COVID-19 impact to the University's budget. However, the Administration and Finance team and the 5 campuses have worked together to come up with \$77 million in solutions where funds from the CARES Act, furloughs, non-essential spending and employee voluntary separation was a part of that effort. She also stated that the FY20 budget is balanced. She asked that Assistant Vice President for Budget & Planning, LeeAnn Pasquini provide more information pertaining to the University's budget.

LeeAnn Pasquini stated the budget is currently in balance. It totals \$3.3 billion and is 5% or \$171 million below the FY20 budget. She also stated that the operating margin is at 0% for each campus. The A&F team currently has a proven accountability framework in process. Significant uncertainty exists around enrollment levels, the state budget and fall plans. This tool will aide in supplying quarterly projections, real time student and employee FTE tracking, quarterly close and cash flow monitoring to ensure our budget remains balanced. She announced that there is currently a freeze on in-state undergraduate tuition. The FY21 budget includes \$30 million in additional costs to manage the COVID-19 pandemic. She provided an overview of the impacts of the pandemic on the workforce side. The A&F team and leadership are continuously monitoring as the urgency to implement spending solutions and regular reporting is a necessity.

The Chair then asked for a roll call vote on each item and Secretary Barrett called the roll with each Committee member asked to vote yes or no.

Action Item #3: Chair Karam voted for the motion as did Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu.

Trustee Wu voted yes to the motion contingent upon receiving a written or verbal statement from the campus Chancellors, with the exception of the Medical School, that they will look at further cuts than those that were in the budget presentation. Trustee Epstein voted yes to the motion as well and agreed to the conditions noted by Trustee Wu that further cuts have to be made.

Vice Chair O'Brien was present for the meeting but absent for the vote.

Action Item #4: Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu voted for the motion. Chair Karam abstained from the motion as did Vice Chair O'Brien.

Action Item #5: Chair Karam voted for the motion as did Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu. Vice Chair O'Brien was present for the meeting but absent for the vote.

Consent Agenda

Chair Karam then asked for a vote to place Action Items #1, 2 & 5 on a Consent Agenda for the July 20th Board meeting. It was moved by Trustee Tolman and Trustee Woolridge seconded to place the Action Items on a Consent Agenda.

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The Chair then asked for a roll call vote on each item and Secretary Barrett called the roll with each Committee member asked to vote yes or no. Chair Karam voted for the motion as did Vice Chair O'Brien; and Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu.

Informational Items

Chair Karam stated that there are two reports that have been posted for review; The Annual Financial Aid Report and the Annual Sustainability Report. He asked that questions regarding the reports be forwarded to Senior Vice President Calise.

Executive Session Announcement

Chair Karam then asked the Committee to vote to enter into Executive Session pursuant to Massachusetts General Law, Chapter 75, Section 4, for the purpose of considering the purchase, exchange, lease or value of real property, as permitted under Massachusetts General Law, Chapter 30A, Section 21a(6), since an open meeting may have a detrimental effect on the negotiating position of the University and discussing the matter in open session will have a detrimental effect in obtaining qualified proposals.

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

It was moved by Trustee Tolman and Trustee Woolridge seconded. The Secretary called the roll with each Trustee asked to vote yes or no to enter in Executive Session for those purposes listed. Chair Karam voted for the motion as did Trustees Dunlea, Epstein, Patel, Peyser, Tolman, Woolridge and Wu. Vice Chair O'Brien was present for the meeting but absent for the vote.

The time was 10:16 a.m.

Christina A. Kelley
Assistant Secretary to the Board