

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

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

Tuesday, September 22, 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 and Scheibel

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Suárez-Orozco, Preble, Moloney and Collins

Faculty Representatives: Professor Lublin, UMass Boston; Professor Koren, UMass Lowell

Documents Used:

- Meeting Minutes: July 20, 2020 Open and Executive Session
- Establishment of the Imoigele P. Aisiku, MD '97 Chair in Health Equity, UMass Medical School, Doc. T20-042
- Fiscal Year 2022 State Budget Request Authorization, Doc. T20-039
- Approval of Changes to the Capital Projects List (related to the FY2019–FY2023 Capital Plan), (Vote 2), UMass Amherst, Lowell and Medical School, T18-064, as amended
- Authorization to Issue Refunding Bonds in Support of the University's Capital Plan, Doc. T20-043

Chair Karam convened the meeting at 9:01 a.m. and stated that as a public body, the UMass Board of Trustees could meet remotely under the Governor of Massachusetts' executive order issued on March 12, 2020, which was effective immediately, and will remain in place until it is rescinded or the state of emergency that was declared is terminated.

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 engage 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 the meeting. Under the law, the Chair has complete discretion in granting or denying the request to speak, and may limit the duration that the public has to address the Board. The Chair stated that he received no requests to speak, make an audio or videotape of the meeting.

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He then asked Chief Information Officer Letchford to provide instructions for the Zoom meeting.

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 July 20th meeting's Open and Executive Session and asked for any corrections. With no corrections, the minutes were approved.

He stated that pursuant to Mass General Laws Chapter 30A and under the Office of The MA Attorney General, Open Meeting Law Guide and Educational Materials, General Counsel Leone, under the delegation of the UMass Board of Trustees, determined that the Executive Session minutes of the July 20th meeting will not be released, and should remain confidential because publication would defeat the lawful purposes of the executive session.

Chair's Report

Chair Karam stated that the agenda for the day's committee meeting would include a detailed update on the financial condition of the University, which significantly changed since the July meeting due to the campuses shifting to remote learning and limited students living on campus.

He stated that the decisions made are a result of the University's commitment to making the health and safety of students, staff, and faculty top priority in a pandemic. These important changes, however, have significant financial repercussions. The pandemic has forced the University to adapt to constantly shifting realities and anticipate multiple potential scenarios.

Chair Karam commended President Meehan, Vice President Calise, the Chancellors, and their teams for their consistent efforts to find solutions and for keeping their eyes on the future, and not surrendering to the temptation of short-term fixes that would imperil the long-term financial foundation of the University.

President's Report

President Meehan led his report by stating that the University along with all of higher education are operating amongst great challenges. He stated that a recent Brookings Institution report noted, no institution is escaping the pandemic's financial impact. The University of Massachusetts is going to do more than survive. He reiterated his commitment along with the Board and the Chancellors to protecting and preserving the University's long-term financial integrity.

President Meehan stated that the University of Massachusetts is doing more to survive the financial impact of the pandemic. He stated that he will take the steps required to ensure that the University of Massachusetts will continue to be the robust public research university that the Commonwealth deserves. He stated that the administration were careful to manage their finances before the pandemic struck and as a result the University was able to end FY2020 with a balanced budget. He stated that a fiscal year that was already difficult became even more challenging when all four of the undergraduate campuses made the right community health decision to shift mostly to remote programming for the semester. Though this decision has deepened the financial challenges of the

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University, enrollment is much stronger than originally projected, which has a significant positive financial impact.

President Meehan commended the Chancellors for collaborating with their unions and non-union employees to combat the impact of budget cuts on the workforce. As a result of these efforts, the University was able to reduce the number of permanent layoffs in favor of short term and long term furloughs. President Meehan stated that he is confident that the University is making the right decisions, like many other public and private entities, UMass has to make difficult decisions today to get to a better tomorrow.

He asked Chancellor Subbaswamy to address the Committee on his decision to allow the Minutemen to take the field this fall.

Chancellor Subbaswamy briefly discussed the decision to continue with a limited football season after an extensive and positive review of the programs COVID-19 safety protocols and testing regimen.

Action Item #1: Establishment of the Imoigele P. Aisiku, MD '97 Chair in Health Equity, UMass Medical School, Doc. T20-042

Chair Karam requested the approval of the Establishment of the Imoigele P. Aisiku, MD '97 Chair in Health Equity 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 Imoigele P. Aisiku, MD '97 Chair in Health Equity at the University of Massachusetts Medical School.

Chancellor Collins and Provost Flotte spoke to 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: Fiscal Year 2022 State Budget Request Authorization, Doc. T20-039

Chair Karam requested the approval of the Fiscal Year 2022 State Budget Request Authorization. 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 Woolridge seconded.

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To recommend that the Board take the following action:

To authorize the President to prepare and submit the University’s Fiscal Year 2022 State Budget request per the Board’s Governance policy (T73-098).

Senior Vice President Calise stated that this is a routine vote required by the University’s Board bylaws that authorizes the President to prepare and submit the annual budget. She stated that the Governors administration typically approves the budget around the October/November timeframe.

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

Chair Karam requested the approval of the Approval of Changes to the Capital Projects List (related to the FY2019–FY2023 Capital Plan) (Vote 2) at UMass Amherst, Lowell, and 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 Patel 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	Vote 1	Vote 2	Funding Sources				P3
				Local Funding	External Funding	Borrowed Funding	State Funding	
UMA	Energy Improvements	\$15,000,000	\$15,000,000	\$700,000	\$1,000,000	\$11,000,000	\$2,300,000	-
UML	Critical Repair - Olsen Strategic Renovations, Repairs and Replacements	\$18,500,000	\$18,500,000	\$12,400,000	-	-	\$6,100,000	-
UMMS	New Education and Research Building	\$300,000,000	\$325,000,000	-	-	\$325,000,000	-	-
UMMS	Power Plant Expansion	\$50,000,000	\$50,000,000	\$25,000,000	\$25,000,000	-	-	-
TOTAL		\$383,500,000	\$408,500,000	\$38,100,000	\$26,000,000	\$336,000,000	\$8,400,000	\$0

Associate Vice President Gorzkowicz informed the Committee that there are a number of projects on hold. He stated that there were no projects seeking a vote 1 approval. The projects up for a vote 2 include Energy Improvements at UMass Amherst, Critical repairs for the Olsen Strategic Renovations at UMass Lowell and at UMass Medical School the New Education and Research Building (NERB) and Power Plant Expansion. Trustee Wu asked the delta of cost for the projects at the Medical School. Chancellor Collins and Provost Flotte spoke briefly about the funding for each project, and mentioned specifically, that there are contingencies built into the costs given the significant difference to cover all bases involved with the contractual obligations.

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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 #4: Authorization to Issue Refunding Bonds in Support of the University's Capital Plan, Doc. T20-043

Chair Karam requested the approval of the Authorization to Issue Refunding Bonds in Support of 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. It was moved by Trustee Woolridge and Trustee Tolman seconded.

To recommend that the Board take the following action:

WHEREAS, pursuant to Chapter 773 of the Acts of 1960, as amended ("Building Authority Enabling Act"), the University of Massachusetts Building Authority is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") created to aid and contribute to the performance of the education and other purposes of the University of Massachusetts (the "University") by providing buildings and other structures for the use of the University, its students, staff and their dependents and for lease to or use by an organization or association, in any form, of students or others the activities of which are a part of the activities at the University and subject to regulation by the Board of Trustees of the University (the "Trustees");

WHEREAS, in the judgment of the Trustees it is in the best interest of the University for the Building Authority to refund bonds when market conditions are favorable; and

WHEREAS, the Building Authority's enabling act authorizes the Trustees, on behalf of the Commonwealth, to provide a Commonwealth guaranty of not to exceed \$200,000,000 outstanding principal amount of Building Authority Bonds;

NOW, THEREFORE,

1. The issuance of refunding bonds by the Building Authority is hereby approved, in such amount and pursuant to such terms as shall be approved in writing by either the President and the Senior Vice President for Administration & Finance and Treasurer of the University, acting alone (each, an "Authorized Officer").
2. Each Authorized Officer hereby is authorized to execute and deliver on behalf of the University and the Commonwealth one or more contracts for financial assistance, management and services with respect to the projects refinanced by the Building Authority and the Building Authority refunding bonds issued in connection therewith and authorized herein. Each such contract may include the Commonwealth guaranty of all or a portion of such bonds, as determined by an Authorized Officer and within the limits prescribed by the Building Authority's enabling act.

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3. Each Authorized Officer is hereby authorized to take such other action as deemed necessary or desirable to be done or taken to effectuate the matters hereby authorized, as conclusively evidenced by their doing the things or taking the action hereby authorized.

UMass Building Authority Executive Director Kroncke spoke briefly on the reissuing of bonds.

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.

Consent Agenda

Chair Karam asked for a motion to place items 1-4 on a Consent Agenda for the full board meeting. It was moved by Trustee Dunlea and Trustee Tolman seconded.

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.

Senior Vice President's Report

Senior Vice President Calise provided an update on the FY20/FY21 Budget Report. She discussed the financial impact of the pandemic to the University. She then introduced Christine Packard, Director of Enterprise Risk Management to discuss COVID testing plans for the Fall.

Ms. Packard stated that the campuses have significantly reduced residential presence and that the current status of the Fall operations are an effort to mitigate an increase in the spread of the COVID-19 virus. She provided the frequency by which students and faculty accessing the campus are tested on a weekly basis. She stated that campus surveillance testing has exceeded expectations.

Trustee Wu asked what the protocol is when a student tests positive for COVID-19. Ms. Packard stated that the procedures vary across the campuses and that all campuses are working with their local Board of Health and operate within the federal CDC guidelines.

Senior Vice President Calise then discussed enrollment. Actual enrollment is tracking 0.5% below prior year. Initially, the approved budget projected a 5% decline. This improvement over the projection nets \$23M. She informed the Committee that staff reductions are estimated at 16% both permanent and temporary. She stated there is significant uncertainty in the year 2021. The uncertainty of the revenue and operations for Spring 2021 is uncertain. There is also significant uncertainty around FY21 budget as the stimulus from the federal government is unknown.

President Meehan stated that there may not be a budget from the legislators until November. He is hopeful that the University will be level funded, however, the uncertainty remains and he is confident there will be cuts.

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Assistant Vice President Pasquini provided an overview of the FY21 adjusted budget. She discussed continuing the work to implement a balanced budget and stated that many solutions are underway. The FY21 budget has over a 6% decline below the FY20 budget which is only \$9M. Using the remaining available CARES Act money; nothing more as no new federal money has been made available. As expected revenue impacts will be beyond FY21, so decisions cannot be one-time in nature and must be sustainable. She provided a comparison of the approved vs. adjusted budget and discussed revenue and workforce solutions to ensure financial sustainability, financial monitoring and management is critical.

Senior Vice President Calise discussed the reality of reserves and endowments. Depleting reserves would leave the University defenseless, limited reserves are available to be spent and available reserves would cover less than 3 months of operating costs, and the University's endowments are restricted by donors for long term use for the campuses.

Trustees Epstein and Kelleher asked questions surrounding budget solutions specifically regarding suspending depreciation to get more cash. Trustee Kelleher suggested that the University consider suspending depreciation or suspending amortization on bonds- do not fund it. Senior Vice President Calise stated that she would update Trustee Kelleher on their solutions.

There being no further business, the meeting adjourned.

The time was 10:37 am.

Christina A. Kelley
Assistant Secretary to the Board