

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

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

Wednesday June 9, 2021; 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; Trustees Callahan, Cruz-Gordillo, Epstein, Kunda, Patel, Peyser, Scalona, Tolman and Wu

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

Committee Members Absent: Vice Chair O'Brien; Trustee Woolridge

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Suárez-Orozco, Fuller (Interim), Moloney and Collins; Vice Chancellors Mangels, Kirleis, Gingerella, O'Riordan and Lindstedt

Faculty Representatives: Professors Hoagland, Professor Koren, UMass Lowell

Documents Used:

- Meeting Minutes: April 7, 2021
- Quarterly Capital Project Update and Amendments to the University's Capital Plan, Doc. T18-064, as amended
- Approval of the University's FY22 Operating Budget, Doc T21-018
- Approval of Mandatory Student Charges – Changes to Student Activity Fees, UMass Amherst, Boston, Doc. T21-019
- Authorization to Allocate the FY22 State Appropriation, Doc. T21-020
- Campus Affirmative Action Report, Doc. T21-021

Chair Karam convened the meeting at 9:05 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executive order issued on March 12, 2020, which was effective immediately, and will remain in place until it is rescinded or the state of emergency that was declared is terminated.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

Committee on Administration and Finance
June 9, 2021

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.

Michael Milligan provided the instructions for the Zoom 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 April 7th meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair's Report

Chair Karam reported that Senior Vice President Calise and her team would be presenting the FY22 budget for approval. He acknowledged what a difficult year this has been for the entire University. He commended the work done by members of the Committee, the President's Office, the Chancellors, and the entire UMass community to keep the University community safe and on solid financial footing.

Chair Karam reminded the Committee that at its April meeting he asked the campuses to develop plans for the use of nearly \$258 million in federal stimulus funds. Lisa Calise and her team will present on the Federal stimulus funds and how they will be used to bridge the University to a post-COVID environment by backfilling lost revenue until the University is able to return to normal operations in FY23. He noted that with the adoption of the FY22 budget, a budget update will be provided at Committee's meeting in September.

Chair Karam commented on the importance to remain focused on the University's forecast, particularly considering the federal stimulus funds being used in FY22 as the University begins to return to a more normal operations. He stated that Lisa Calise and her team will present an update on the University's forecast at the December meeting.

Chair Karam highlighted the work of the Advisory Working Group on Financial Planning. He reported that at its next meeting Senior Vice President Calise and her team will be presenting a methodology and approach to reporting spending and revenue data by department. He hopes that a tool can be developed over the summer that would allow the campuses to access that information more easily.

President's Report

The President expressed how proud he was of the way the University managed through the global crisis and the stated that the Board's adoption of the FY22 budget signals the beginning of the University's recovery from one of the most challenging periods in its history.

The President noted the University efforts since the COVID crisis began including nearly 700,000 COVID tests conducted by the campuses and a low positivity rate of 0.49 percent. With the help of the \$258 million in federal stimulus funds, \$113 million in emergency aid being distributed to UMass students by the end of the new fiscal year. A \$145 million of federal stimulus funds to be used as a bridge to help offset lost revenue while campus operations transition back to a new normal. He noted measures taken to reduce expenses allowing for a tuition freeze, a cost of \$14.3 million.

**Committee on Administration and Finance
June 9, 2021**

The President reported that an updated University forecast will be presented in December. He stated that the required steps will be taken to ensure that the University of Massachusetts continues to be the robust, dynamic, innovative public research university that the Commonwealth and its citizens need and deserve.

President Meehan thanked the Board for its leadership over the last 15 months, and thanked the Chancellors, the faculty and staff, and the students.

Chair Karam then announced that there were four actions items before the Committee. He reminded the Committee members to unmute themselves for the roll call votes and state their name when moving and seconding a motion for vote.

Action Item #1: Quarterly Capital Project Update and Amendments to the University’s Capital Plan, Doc. T18-064, as amended

Chair Karam requested the approval of the Quarterly Capital Project Update and Amendments to the University’s Capital Plan. It was moved by Trustee Epstein and seconded by Trustee Wu.

To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, as amended to approve the following projects that exceeded the Approved Project cost by more than 10% and to satisfy the University’s written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T18-064, as amended:

| Campus | Project Name | Vote 1 | Vote 2 | Adjusted Cost | Funding Sources | | | | P3 |
|--------------|------------------------------|--------------------|---------------------|---------------------|--------------------|------------------|--------------------|--------------------|------------|
| | | | | | Local Funding | External Funding | Borrowed Funding | State Funding | |
| UMA | Fine Arts Center Renovations | 9,000,000 | 11,000,000 | 12,573,376 | 1,836,048 | - | 9,500,000 | 1,237,328 | - |
| TOTAL | | \$9,000,000 | \$11,000,000 | \$12,573,376 | \$1,836,048 | \$0 | \$9,500,000 | \$1,237,328 | \$0 |

Associate Vice President Gorzkowicz informed the Committee that the quarterly capital update and a report of the dashboard on the University’s capital program were on Boardvantage. He highlighted the Fine Arts Center renovations project at UMass Amherst. The \$11 million project received a second Board vote and is increasing to \$12.5 million. The Amherst campus is seeking approval to increase the project’s cost by \$1.5 million bringing the project’s total to \$12.5 million to address a roof replacement and deferred maintenance issues. The campus also received a \$1.3 million state investment towards the deferred maintenance.

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Karam voted for the motion as did Trustees Epstein, Patel, Peyser, Tolman, Woolridge and Wu. Trustee Scalona was not present for the roll call vote.

Action Item #2: Approval of the University’s FY22 Operating Budget, Doc T21-018

Chair Karam requested the approval of the University’s FY22 Operating Budget. It was moved by Trustee Epstein and seconded by Trustee Wu.

Committee on Administration and Finance
June 9, 2021

To recommend that the Board take the following action:

To approve the University's Fiscal Year 2022 Operating Budget and to authorize the President to approve changes, as needed, based on the final General Appropriations Act for Fiscal Year 2022 and any changes made to it during the fiscal year.

Senior Vice President Calise and Assistant Vice President for Budget and Planning Pasquini presented on the FY22 budget. Senior Vice President Calise noted key takeaways of the presentation. The campuses are returning to normal academic and student activities; campus housing is open, staffing levels are growing consistent with the campuses being open, across the board, applications are up throughout the University and enrollment is stable. Enrollment will continue to be tracked using real-time monitoring through the end of add/drop. She noted Federal stimulus funds are critical and allow the University to avoid deficits. She mentioned that the financial forecast will be presented in December to demonstrate structural balance and a return to positive operating margins.

Senior Vice President Calise also presented on the Accountability framework which has 4 parts: oversight, internal controls, transparency, and risk management. The framework also has 3 tactical goals: to ensure financial sustainability and mitigate risk, to deliver efficient operations to ensure access and affordability for students, and to improve the University's capacity to deliver financial, administrative and other service objectives to its customers.

She highlighted some of the progress underway and work to be conducted over the coming months including the coordination of the University's COVID Response, the Advisory Working Group on Financial Planning concluding its work over the summer, \$29.9 million in cost savings under UPST (Unified Procurement Services Team Implementation), working on streamlining procurement contracts and to optimize procurement processes, continuing to analyze financial aid trends and data, enhance the University-wide Enterprise Risk Management Program to create an updated assessment tool and risk mitigation methodology. Efforts are also underway to coordinate travel authorization. Implementation of phase 1 of the payroll shared services, changes in financial reporting, implementation of a standard for lease accounting (GASB 87) are also underway. Senior Vice President Calise also provided a summary of enrollment assumptions for Fall FY22 and Housing Occupancy Assumptions for the upcoming fall.

Assistant Vice President Pasquini provided an overview of the FY22 Budget. She noted key dates for upcoming updates: enrollment reporting at the September meeting, five year forecast update in December, and tracking of the FY23 enrollment and providing quarterly reports for the current fiscal year) in March/April 2022. She discussed the FY22 Budget in detail including the budget assumptions and major revenue and expense categories. She discussed the details of the Federal Stimulus Aid noting the 3 areas of aid received by the University totaling \$258 million.

Assistant Vice President Pasquini also presented the approval of Mandatory Student Charges changes to Student Activity Fees at UMass Boston and UMass Amherst and the Authorization to Allocate the FY22 State Appropriation. She reported that the students at UMass Boston and UMass Amherst voted on the student activity fee changes. The graduate student senate fee at Amherst will increase by \$3.70 and at Boston the student activity fee will increase by \$20. The authorization to

**Committee on Administration and Finance
June 9, 2021**

allocate the FY22 state appropriation allows the President to allocate state funding once the final budget is in place.

Trustee Epstein thanked the Committee for their work and expressed his concerns with the financial condition of the University once the federal funds are exhausted. He urged the Committee to start planning for the future and to consider raising tuition and looking at areas that have not yet been considered. Trustee Wu agreed and stated that it would be irresponsible not to look at increasing tuition after this year. He commented that the University should signal to the market place and the students that a tuition increase is coming.

Chair Karam stated that the Financial Working Advisory Group will be looking at programing efficiencies. He acknowledged the campus members for working with Senior Vice President Calise and her team. He acknowledged Trustee Scheibel for her participation on the Committee.

President Meehan agreed with the Trustees and explained the decision to freeze tuition due to the pandemic. He also noted the need to be focused on the quality of the University's product which has been raised by Chancellor Subbaswamy and the other Chancellors.

Chair Karam then asked for the roll call vote. The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Karam voted for the motion as did Trustees Epstein, Patel, Peyser, Scalona, Tolman, Woolridge and Wu.

Action Item #3: Approval of Mandatory Student Charges – Changes to Student Activity Fees, UMass Amherst, Boston, Doc. T21-019

Chair Karam requested the Approval of the Mandatory Student Charges – Changes to Student Activity Fees at UMass Amherst and Boston. It was moved by Trustee Epstein and seconded by Trustee Tolman.

To recommend that the Board take the following action:

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 changes to the Student Activity fee at UMass Boston and the Graduate Student Senate fee at UMass Amherst as outlined below for academic year 2021-22:

| <u>Campus</u> | <u>Fee</u> | <u>FY21</u> | <u>FY22</u> | <u>\$ Change</u> | <u>% Change</u> |
|---------------|-----------------------------|-------------|-------------|------------------|-----------------|
| UMA | Graduate Student Senate Fee | \$148.00 | \$151.70 | \$3.70 | 2.5% |
| UMB | Student Activity Fee | \$110 | \$130 | \$20 | 18.2% |

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Karam voted for the motion as did Trustees Epstein, Patel, Peyser, Scalona, Tolman and Wu.

Action Item #4: Authorization to Allocate the FY22 State Appropriation, Doc. T21-020

Chair Karam requested the Approval of the Authorization to Allocate the FY22 State Appropriation. It was moved by Trustee Tolman and seconded by Trustee Wu.

Committee on Administration and Finance
June 9, 2021

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 2022 to the campuses.

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Karam voted for the motion as did Trustees Epstein, Patel, Peyser, Scalona, Tolman and Wu.

Consent Agenda

Chair Karam then asked for a motion to place Action Items #s 1-4 on a Consent Agenda for the full Board meeting. It was moved by Trustee Epstein and seconded by Trustee Tolman.

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Karam voted for the motion as did Trustees Epstein, Patel, Peyser, Scalona, Tolman and Wu.

Chair Karam then informed the Committee that campus Affirmative Action Reports are posted on Boardvantage.

There being no further business, the Chair adjourned the meeting.

The time was 9:56 a.m.

Zunilka Barrett
Secretary to the Board