

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

**MINUTES OF THE MEETING OF THE  
COMMITTEE OF THE WHOLE**

**Monday, December 16, 2024; 10:00 a.m.**

**Remote Meeting via Zoom**

**Pursuant to the Governor's Order Suspending Certain Provisions of the  
Open Meeting Law, G.L. c.30A, 20 dated March 12, 2020, and subsequently updated  
and extended by the Governor and their staff**

**Trustees Present:** Chairman Karam; Vice Chair Burns; Trustees Colella, Delgado (joined at 10:36 a.m.), Epstein, Haviari, Maguire Keches, Nicum, Oliveira, Raymond, Sullivan, Tolman and Wu; Mr. Moreau (representing Trustee Tutwiler)

**Trustees Absent:** Trustees Brunelle, Lewis, O'Brien, Okwara, Osa-Agbontaen, Paris Jeffries, Ramos Gagliardi, Scheibel and Tutwiler

**University Administration:** President Meehan; General Counsel Lowy; Senior Vice Presidents Calise and Subbaswamy; Chancellors Reyes, Suárez-Orozco, Fuller, Chen and Collins; Provosts Abd-El-Khalick, Berger, Balasubramanian, Hartman and Flotte; Vice Chancellors Mangels, Kirleis, Doyle, Yestramski and Lindstedt

**Faculty Representatives:** Professors Hoagland, UMass Amherst; Roscoe, UMass Dartmouth; and Marchand, UMass Lowell

**Documents Used:**

- FY26-30 Five-Year Financial Forecast Presentation, Doc. T24-050

Chairman Karam convened the meeting at 10:04 a.m. and reminded the Committee that the Governor issued an executive order on March 12, 2020, which had been extended until March 31, 2025.

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 Committee 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 Committee 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.

### **Chair's Report**

Chairman Karam reported that the Administration and Finance Committee has traditionally reviewed the 5-year financial forecast, however, last year the decision was made to elevate the discussion to the Committee of the Whole due to increasing complexities in higher education. This approach allows all trustees to engage directly with the report and the conversations held last year proved valuable, leading to its continuation this year.

He emphasized the importance of long-term planning for the University's health and sustainability, noting that while immediate challenges are important, the University's commitment to long-term strategy has been key to its success. The consistent review and refinement of the Financial Forecast help adapt to changing circumstances and guide future budget discussions. The forecast's strength has been enhanced by contributions from President Meehan, the Chancellors and their teams, and the Board of Trustees. Additionally, the University's use of the Strategic Planning Analytics and Reporting (SPARC) tool provides real-time, actionable insights into core operational areas. Despite challenges ahead, the University is well-prepared to navigate them, underscoring the importance of managing a \$4.5B enterprise and the benefit of communities and future generations.

### **President's Report**

President Meehan thanked Chair Karam, Senior Vice President Calise, the Chancellors and their teams, and members of the Board for their engagement and support in the development of the University's five-year financial forecast. He acknowledged that the years ahead would present significant challenges for higher education institutions across the country, including the University of Massachusetts—challenges which stem from demographic shifts and evolving industry trends. To address these, the University will need to maintain effective vigilance and proactive strategies to ensure the continued quality, affordability, and impact of a UMass education, as well as the success of its research enterprise and its mission to support the Commonwealth of Massachusetts.

The Financial Forecast that will be presented serves as a clear and transparent assessment of the situation UMass faces, particularly in relation to enrollment, deferred maintenance, and the strategies necessary for long-term financial sustainability. He highlighted the critical importance of the University's mission, particularly as Massachusetts faces a weakening talent pipeline due to a decline in the number of high school graduates and an increasing rate of young workers leaving the state. President Meehan assured the Board that UMass has been preparing for these shifts and is well-positioned to face them, thanks to strong financial controls and effective management despite the challenges.

Notable achievements this year include the reaffirmation of the University's bond ratings and outlook, national recognition for UMass's enterprise risk management program, and a milestone \$146M in cost savings from the Unified Procurement Services Team's (UPST) five-year anniversary. These accomplishments demonstrate the University's commitment to continuous improvement and operational efficiency. The Financial Forecast is an important component of UMass's ongoing efforts to ensure the University remains on a sustainable and responsible path forward.

**Discussion Item: FY25-29 Five-Year Financial Forecast, Doc. T24-050**

Senior Vice President Calise provided an overview of the University's FY25-FY29 Five-Year Financial Forecast. She emphasized the importance of multi-year planning for both evaluating the current fiscal condition and making informed policy and programmatic decisions, noting an extensive 180-page document which serves as a comprehensive tool to guide the University's strategies for revenue generation, expense management, and enrollment. The forecast is developed based on historical data, current-year budgets, and informed assumptions about future revenue, expenses, and enrollment trends. Key metrics, including financial ratios and sensitivity analysis, are used to gauge potential impacts under different scenarios. She highlighted that the forecast is not up for approval by the Board but is rather presented for discussion and engagement, allowing Trustees to understand the strategies each campus is employing to address challenges.

Senior Vice President Calise noted the challenges that the University faces, such as limited revenue growth prospects and cost pressures, which are reflected in the forecast. Enrollment challenges, driven by demographic shifts, were acknowledged, but campuses have tailored strategies to manage these issues. Additionally, tuition increases, while modest, are assumed in the forecast, with future discussions set for April regarding proposed tuition and rate changes. The forecast assumes annual revenue and expense growth of approximately 4%, with each campus striving to meet a 2% operating margin. She noted that managing deferred maintenance remains a priority with increased spending and prioritization in the plan. She also emphasized the University's reliance on state funding, which accounts for over 25% of annual revenue. The state's budget trends, salary increases, and fringe benefit costs are critical considerations in shaping the forecast.

Assistant Vice President Skrzek reviewed the forecast's risk management assessment focusing on three risk areas: enrollment, financial sustainability, and facilities and deferred maintenance. He shared key enrollment data and presumptions from EY Parthenon, as well as real-time data from our internal dashboard, SPARC, and discussed strategies the campuses are employing to address these risks.

Trustee Epstein inquired about a law passed about a year ago that imposed an additional tax on millionaires, which had initially projected \$1.3B in revenue but ultimately generated \$2.4B, exceeding expectations. He asked whether UMass is involved in accessing those funds, which are designated for education and transportation. Senior Vice President Calise confirmed that UMass has been actively accessing those funds, most of which have been allocated to the Mass Grant Plus Program. Additionally, some funds have been used for an endowment match, contributing to the University's long-term financial strategy, while smaller portions have been directed to other initiatives. Looking ahead, UMass plans to use those funds to address deferred maintenance on its campuses. Senior Vice President Calise explained that the University is seeking further state investment through a higher education bond bill to support debt service on these bonds, alongside additional funding for financial aid and the endowment match program.

President Meehan further emphasized the critical role of the Mass Grant Plus Program in making the University's new initiative of offering free tuition for families earning \$75K or less possible. He meets regularly with key state legislative leaders to discuss the University's priorities and

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maximize access to these funds, and he encouraged Trustees to share any suggestions or ideas to help guide these efforts.

Trustee Sullivan asked Senior Vice President Calise to elaborate on the creation of the Unified Procurement System Team (UPST). She noted that UPST was formed to streamline procurement by centralizing efforts that had previously been spread across five campuses, and the President's Office. This consolidation resulted in a unified approach to procurement and accounts payable. Through this centralized effort, the University was able to achieve significant cost savings, about \$146M in five years, by leveraging buying power and modernizing processes, such as automating invoices. This initiative demonstrates the value of collaboration and professional teamwork. Additionally, the effort is recognized as a model for other institutions, with national interest in the efficiencies created. The success is also credited to the ongoing cooperation among Chancellors and their teams, continually seeking further improvements in areas like energy, travel, and contract management. The transformation represents a strong example of how higher education can achieve greater efficiency by operating as a unified entity.

Trustee Wu asked about inflation assumptions, noting that the budget currently uses a 1% inflation rate for state appropriations and non-personnel expenses, but this figure may be too low given recent economic conditions. Senior Vice President Calise explained that non-personnel spending is largely influenced by ongoing negotiations, which can help keep costs below general inflation. The campuses are also factoring in competitor pricing in enrollment projections when determining tuition, balancing the need for revenue with market pressures. The overall approach to the budget is conservative, with the 2.5% increase seen as cautious given the cost-of-living increases for employees and past years without tuition hikes. Senior Vice President Calise also confirmed that the University will re-engage EY-Parthenon to provide an assessment of the enrollment assumptions that were in the forecast before the budget is presented to the Board in June.

**Executive Session Announcement**

Chairman Karam asked for a roll call vote to enter into Executive Session pursuant to Massachusetts Office of the Attorney General Open Meeting Law Guidelines, Massachusetts General Law, Chapter 30A; Section 21 and related provisions to comply with Purpose 2. Strategy Sessions for negotiations with non-unit personnel, or CBA bargaining sessions with non-unit personnel; and/or Purpose 3. Collective Bargaining or Litigation strategy sessions; and/or Purpose 6. To consider the purchase, exchange, lease or value of real property; and/or Purpose 7, citing to: Massachusetts General Law, Chapter 4, Section 7, clause 26, subclauses (d) and (u) since an open meeting may compromise the purpose for which the Executive Session is being called and have a detrimental effect on the University.

Chairman Karam stated that the meeting would not reconvene in open session and asked for a motion. It was moved by Trustee Colella and seconded by Trustee Sullivan.

The Secretary called the roll. Chairman Karam voted for the motion as did Vice Chair Burns; Trustees Colella, Delgado, Epstein, Maguire Keches, Nicum, Sullivan, Tolman and Wu; and Mr. Moreau (representing Trustee Tutwiler).

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The time was 10:49 a.m.

Chelsey L. Burke  
Assistant Secretary to the Board