

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

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

Tuesday, December 17, 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**

Committee Members Present: Chair O'Brien; Vice Chair Scheibel; Trustees Colella, Epstein, Haviari, Nicum, Oliveira, Tolman and Wu; Mr. Moreau (representing Trustee Tutwiler)

Other Trustees Present: Vice Chair Burns

Committee Members Absent: Trustees Brunelle and Tutwiler

University Administration: President Meehan; Senior Vice Presidents Calise and Subbaswamy; General Counsel Lowy; Chancellors Reyes, Suárez-Orozco, Fuller and Chen; Vice Chancellors Mangels, Kirleis, Doyle, Yestramski and Lindstedt

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

Documents Used:

- Meeting Minutes: September 18, 2024 (Open & Executive Session)
- Approval of Changes to the Approved Capital Projects List; Vote 1 Traditional Project – Tobin Deferred Maintenance, UMass Amherst, Doc. T23-047, as amended
- Approval of Changes to the Approved Capital Projects List; Vote 1 Traditional Project – SWPH Heat Shift Chillers, UMass Boston, Doc. T23-047, as amended
- Approval of Changes to the Approved Capital Projects List; Vote 1 Traditional Project – Design & Innovation Studio, UMass Dartmouth, Doc. T23-047, as amended
- Approval of Changes to the Approved Capital Projects List; Vote 2 Traditional Project – Flint Renovations, UMass Amherst, Doc. T23-047, as amended
- Approval of Changes to the Approved Capital Projects List; Vote 2 Traditional Project – Utilities – Cooling Capacity, UMass Boston, Doc. T23-047, as amended
- Approval of Changes to the Regulations for Use of Property, UMass Amherst, Doc. T79-090, as amended
- Annual Clery Report, Doc. T24-051
- University's Fiscal Year 2026 Budget Request, Doc. T24-061

Chair O'Brien convened the meeting at 10:02 a.m. and reminded the Committee that the Governor of Massachusetts 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

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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.

Chair O'Brien reminded the Committee members to unmute themselves and state their name when moving or seconding the action items.

Consideration of Minutes of the prior meeting of the Committee

Chair O'Brien stated that the Committee was provided with the draft minutes of the September 18, 2024 meeting's Open and Executive Session and asked for any corrections. With no corrections, the minutes were approved.

Under the Office of the Massachusetts Attorney General, Open Meeting Law Guide and Educational Materials, General Counsel Lowy, under the delegation of the UMass Board of Trustees, has determined that the September 18, 2024 executive session minutes will not be released and should remain confidential because publication would defeat the lawful purposes of the executive session.

Chair's Report

Chair O'Brien reported that the Committee would hear presentations from the Administration and Finance team on key initiatives aimed at managing risks and ensuring the financial sustainability of the University. Since the last Committee meeting in September, the Advisory Working Group on financial planning met twice; continuing efforts to support enrollment, including expanding the successful admissions sharing pilot between Amherst, Dartmouth, and Lowell. It is critical that the University maintain these efforts to protect and improve enrollment, especially as the next admissions cycle is already underway.

Yesterday, the University's Five-Year Financial Forecast was presented at the Committee of the Whole, highlighting ongoing challenges, including limited revenue growth from enrollment, tuition rates, and state appropriations, while costs, particularly salaries due to collective bargaining and fringe benefits, continue to rise. While campuses are constantly adjusting to meet these challenges, it's vital that the Committee think beyond short-term solutions, as new ideas and efficiencies take time to implement. Given that enrollment remains the largest financial risk, Chair O'Brien recommended continued engagement with third-party services, such as EY Parthenon, to stress-test enrollment assumptions. This will allow campuses to refine their enrollment forecasts for the budget, ensuring that the Board adopts a budget based on reasonable, achievable assumptions.

Chair O'Brien commended the President and Chancellors for their steadfast financial management, data-driven decision-making, and their ability to adapt quickly in these challenging times.

President's Report

President Meehan reported that at the September Board Meeting, the Board authorized the University's Fiscal Year 2026 budget request, which was submitted last month. The request includes a \$44M increase to the base appropriation, bringing the total to \$870M. Of this increase, \$28M is designated for student success initiatives, with \$4M earmarked for mental health services and \$24M for a new Student SUCCESS Grants Plus program. The remaining \$16M (2%) is intended to address inflation, maintain student affordability, and support the continued delivery of a world-class education to our students. The request also includes projected funding for collective bargaining cost increases based on state parameters. The University plans to work closely with the Administration and Legislature to secure the state's share of these expenses and expects supplemental appropriations for FY25 to fund the state's share of collective bargaining increases.

The University made two specific requests related to Fair Share funds – \$60 million for the Resources for Infrastructure, Sustainability, and Equity (RISE) capital program, which would fund debt service for up to \$1B in Commonwealth-issued bonds for capital improvements and energy efficiency projects; and \$20M for the Endowment Incentive Match Program, which has significantly benefited the University's fundraising and endowment growth. Providing the University with a dedicated amount of capital funds would provide consistency and predictability that is critical in capital planning and would allow UMass to preserve debt capacity for future renovations and continued capital improvements.

President Meehan also highlighted the success of the University's system-wide Enterprise Risk Management (ERM) program, the ongoing collaboration between UMass Amherst, UMass Dartmouth, and UMass Lowell on the admissions sharing pilot program, and the SPARC program, which improves decision-making through real-time data.

The Unified Procurement System Team (UPST), now in its sixth year, has saved the University \$145.7M, which is critical to addressing the financial and demographic challenges facing the University. President Meehan thanked Chair O'Brien, the Committee, and A&F team for their expertise and contributions which are invaluable to the University.

Senior Vice President's Report

Senior Vice President Calise reviewed the A&F Committee meeting calendar, the Financial Accountability Framework, FY24 Unaudited Year-End Results and the FY25 first quarter projection. She reviewed the University system-wide Risk Registry activities, enhancements made to the Admissions Sharing Pilot, and the \$145.7M in cost savings to the University since launching the Unified Procurement System Team five years ago.

Senior Vice President Calise shared the FY24 preliminary unaudited results which highlighted the University's commitment to long-term financial sustainability. She provided an update on the FY25 Q1 projection including an enrollment overview, housing occupancy comparisons, and revenue and expenses. She reviewed the revenue and expense challenges in connection to the financial forecast and the University's response reinforcing the enrollment approach, maximizing shared services and operational efficiency, and utilizing SPARC to support analysis.

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Trustee Wu stated that he was impressed with the level of collaboration between campuses to launch and utilize programs such as UPST and SPARC and thanked the Chancellors and everyone involved in these initiatives.

Trustee Colella asked about cash investments to which Senior Vice President Calise responded that the team oversees short-term cash management, capitalizing on the recently high market interest rates. Additionally, the UMass Foundation manages a longer-term fund, where the team analyzes the cash flow model to determine which funds could be moved to the Foundation for longer-term investment. This strategy blends short-term investments, currently yielding around 4-5%, with longer-term investments that have benefited from strong market rates, such as the Massachusetts Municipal Depository Trust, which exceeded 5% during the fiscal year. She noted that although the University has seen positive returns, there is an understanding that the higher rates are not guaranteed to continue, and the Vice Chancellors acknowledge the importance of distinguishing between stable, recurring revenue and market-driven gains.

Trustee Epstein inquired about how deferred maintenance increased so drastically after two years. Assistant Vice President Skrzek shared that the biggest driver in FY22 was the immense inflationary environment. Costs in the construction market, in relation to the pause on many capital projects during the pandemic, had a major impact on the level of capital investments and deferred maintenance.

Chair O'Brien reminded the Committee that during the pandemic there was no increase in tuition, which is now not calculated in the base. Current financials reflect the strain of this decision while fixed costs are continuing to grow, so the pressure is immense on the staff to get back to those numbers. He thanked the Chancellors and finance teams for their thoughtful work in managing this.

Action Item #1a: Approval of Changes to the Capital Projects List; Vote 1 Traditional Project – Tobin Deferred Maintenance, UMass Amherst, Doc. T23-047, as amended

Chair O'Brien stated that the Administration and Finance team would present the Quarterly Capital Report and the Committee will take the associated votes following the report. To open the discussion, Chair O'Brien asked for a motion for the Approval of Changes to the Approved Capital Projects List; Vote 1 Traditional Project – Tobin Deferred Maintenance, UMass Amherst, Doc. T23-047, as amended. The motion was moved by Vice Chair Scheibel and seconded by Trustee Tolman.

Pursuant to Trustee Policy T93-122, as amended, to authorize the following project under the **first 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:

Campus	Project Name	Building	Preliminary Campus Estimate	Funding Sources			
				Local Funding	External Funding	Borrowed Funding	State Funding
Amherst	Tobin Deferred Maintenance	Tobin Hall	\$40,000,000	-	-	40,000,000	-
TOTAL			\$40,000,000			\$40,000,000	

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Assistant Vice President Skrzek presented the Quarterly Capital Report and spoke to the action items.

Trustee Wu asked how the University can balance its investment with its existing debt levels, noting that the University's credit rating is below AA. Prioritizing deferred maintenance, particularly life-safety improvements for active buildings that have a long-term projected use is top priority, while also analyzing the cost-effectiveness of maintaining certain buildings based on their curriculum needs, particularly those that may become obsolete in the next five to seven years. Senior Vice President Calise commented on ongoing efforts to refine the University's approach to deferred maintenance and its capital planning process; working on balance sheet modeling and continuing to collaborate with the Commonwealth on a facility utilization study, which will be completed this winter. Additionally, the University is lobbying for significant funding to address its deferred maintenance backlog as part of the Fair Share Initiative. Chancellor Reyes shared his perspective on how he determines the deferred maintenance needs of the campus.

Chair O'Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Action Item #1b: Approval of Changes to the Capital Projects List; Vote 1 Traditional Project – SWPH Heat Shift Chillers, UMass Boston, Doc. T23-047, as amended

Chair O'Brien asked for a motion on the Approval of Changes to the Capital Projects List; Vote 1 Traditional Project – SWPH Heat Shift Chillers, UMass Boston, Doc. T23-047, as amended. The motion was approved by Trustee Tolman and seconded by Vice Chair Scheibel.

Pursuant to Trustee Policy T93-122, as amended, to authorize the following project under the **first 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:

Campus	Project Name	Building	Preliminary Campus Estimate	Funding Sources			
				Local Funding	External Funding	Borrowed Funding	State Funding
Boston	SWPH Heat Shift Chillers	Salt Water Pump House	\$15,000,000	15,000,000	-	-	-
TOTAL			\$15,000,000	\$15,000,000		\$0	

Chair O'Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Action Item #1c: Approval of Changes to the Capital Projects List; Vote 1 Traditional Project – Design & Innovation Studio, UMass Dartmouth, Doc. T23-047, as amended

Chair O’Brien asked for a motion on the Approval of Changes to the Capital Projects List; Vote 1 Traditional Project – Design & Innovation Studio, UMass Dartmouth, Doc. T23-047, as amended. The motion was moved by Trustee Tolman and seconded by Vice Chair Scheibel.

Pursuant to Trustee Policy T93-122, as amended, to authorize the following project under the **first 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:

Campus	Project Name	Building	Preliminary Campus Estimate	Funding Sources			
				Local Funding	External Funding	Borrowed Funding	State Funding
Dartmouth	Design & Innovation Studio	College of Visual & Performing Arts	\$25,000,000	-	-	\$25,000,000	-
TOTAL			\$25,000,000			\$25,000,000	

Chair O’Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O’Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Action Item #1d: Approval of Changes to the Capital Projects List; Vote 2 Traditional Project – Flint Renovations, UMass Amherst, Doc. T23-047, as amended

Chair O’Brien asked for a motion on the Approval of Changes to the Capital Projects List; Vote 2 Traditional Project – Flint Renovations, UMass Amherst, Doc. T23-047, as amended. The motion was moved by Vice Chair Scheibel and seconded by Trustee Tolman.

Pursuant to Trustee Policy T93-122, as amended, to authorize the following project 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:

Campus	Project Name	Building	Vote 1	Vote 2	Funding Sources			
					Local Funding	External Funding	Borrowed Funding	State Funding
Amherst	Flint Renovations	Flint Laboratory	28,000,000	32,000,000	27,500,000			4,500,000
TOTAL			28,000,000	32,000,000	27,500,000	-	-	4,500,000

Chair O’Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O’Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Action Item #1e: Approval of Changes to the Capital Projects List; Vote 2 Traditional Project – Utilities – Cooling Capacity, UMass Boston, Doc. T23-047, as amended

Chair O’Brien asked for a motion on the Approval of Changes to the Capital Projects List; Vote 2 Traditional Project – Utilities – Cooling Capacity, UMass Boston, Doc. T23-047, as amended. The motion was moved by Vice Chair Scheibel and seconded by Trustee Tolman.

Pursuant to Trustee Policy T93-122, as amended, to authorize the following project 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:

Campus	Project Name	Building	Total Building DM	Vote 1	Funding Sources		
					Vote 2	Local Funding	State Funding
Boston	Utilities - Cooling Capacity*	Utility Plant	11,965,968	N/A	15,000,000	15,000,000	-
TOTAL			11,965,968	-	15,000,000	15,000,000	-

*originally received President’s authorization as part of another utilities project, now split off into a stand-alone project advancing into construction.

Chair O’Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O’Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Action Item #2: Approval of Changes to the Regulations for Use of Property, UMass Amherst, Doc. T79-090, as amended

Chair O’Brien asked for a motion on the Approval of Changes to the Regulations for Use of Property, UMass Amherst, Doc. T79-090, as amended. The motion was moved by Trustee Tolman and seconded by Vice Chair Scheibel.

To recommend that the Board take the following action:

To approve revisions to the changes to the University of Massachusetts Amherst Regulations for the Use of Property, Doc. T90-079, as amended.

Chair O’Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O’Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Consent Agenda

Chair O’Brien asked for a motion to place Action Items #s1a-e on the approval of the changes to the Capital Projects List and Action Item 2 on the Consent Agenda for the full Board meeting on December 18, 2024. The motion was moved by Trustee Tolman and seconded by Trustee Colella.

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Chair O'Brien asked for questions or comments. With none, the Secretary called the roll with each Trustee asked to vote yes or no. Chair O'Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Chair O'Brien thanked John Dawson, Zunilka Barrett, and Chelsey Burke for helping organize and produce the committee and board meetings this week.

Information Items

Chair O'Brien noted that there were two information items on the agenda: the Annual Clery Report, Doc. T24-051 and the University's Fiscal Year 2026 Budget Request, Doc. T24-061.

Executive Session Announcement

Chair O'Brien asked the Committee for a roll call vote to enter into Executive Session to consider the purchase, exchange, lease or value of real property, including proposed and ongoing projects, as permitted under Massachusetts General Law, Chapter 30A, Section 21a, Purpose (6); and; to comply with, or act under the authority of, any general or special law necessitating confidentiality, as permitted under Massachusetts General Law, Chapter 30, Section 21a, Purpose (7), See MGL c. 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.

Chair O'Brien stated that the Committee meeting would not reconvene in open session and asked for a motion. It was moved by Trustee Wu and seconded by Trustee Colella.

The Secretary called the roll. Chair O'Brien and Vice Chair Scheibel voted for the motion as did Trustees Colella, Epstein, Nicum, Tolman, Wu and Mr. Moreau (representing Trustee Tutwiler).

Chair O'Brien announced that the Zoom meeting will be closed by the host and instructed those participating in the Executive Session to join that Zoom meeting with the specific link that was provided.

The time was 11:08 a.m.

Chelsey L. Burke
Assistant Secretary to the Board