

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

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

Wednesday, April 6, 2022; 9:00 a.m.

Remote Meeting

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

Committee Members Present: Chair Karam; Vice Chair O'Brien; Trustees Bates, Bhandari, Dyer, Epstein, Houle, Kunda, Peyser, Tolman, Woolridge and Wu

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

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

Faculty Representatives: Professors Hoagland, UMass Amherst; Kim, UMass Boston; and Hurwitz, UMass Lowell

Documents Used:

- Meeting Minutes, December 13, 2021
- Establishment of Endowed Chairs and Professorships, UMass Amherst, Chan Medical School, Doc. T22-010
- Establishment of the Fuller and Meehan Professorship, UMass Amherst, Doc. T22-011
- Authorization of University Line of Credit, Doc. T22-012
- Approval of Tuition and Mandatory Charges and Authorization to Approve Other Charges for Academic Year 2022-2023, Doc. T22-008
- Legislative Report: Driving Post-Pandemic Economic Recovery through Innovative Teaching, Research, and Service, Doc. T22-031
- FY21 Sustainability Report, Doc. T22-032
- FY22 Financial Aid Report, Doc. T22-033
- Quarterly Capital Report
- FY22 Q2 Report

Chair Karam convened the meeting at 9:00 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, and has been extended to July 15, 2022.

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

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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 Committee. The Chair stated that was one public speaker.

Chief Information Officer 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 December 13, 2021 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair's Report

Chair Karam reported on the University's bonds sale (\$426 million) in support of its capital program (\$350 million for the new Educational Research Building at the UMass Chan Medical School, \$53.8 million for the North Village project at UMass Amherst, and \$20 million for building systems upgrades at the Science & Engineering Building at UMass Dartmouth. The rating agencies (Moody's, S&P Global Ratings, and Fitch) reaffirmed the University's pre-pandemic bond ratings, and S&P revised UMass' outlook to stable from negative. Chair Karam extended his gratitude to Senior Vice President Lisa Calise and UMass Building Authority Executive Director Barbara Kroncke and their teams for their work to secure the bond ratings. He reported that Senior Vice President Calise will present on the bond ratings in more detail.

Chair Karam reported on the work underway for the FY23 budget which the Committee will be asked to approve at its June meeting, on a third party (EY Parthenon) assessment to review the enrollment assumptions used in the University's financial forecast the Committee reviewed in December, and reported on the continued work of the Advisory Working Group on Financial Planning to review the dashboard for the Strategic Planning Analytics & Reporting for Campuses (SPARC Dashboard) that has been rolled out to the campuses.

President's Report

President Meehan expressed his gratitude to the Chancellors and finance teams for their skillful and innovative management over the past two years that resulted in three national agencies re-affirming the University's strong bond ratings. He noted the Commonwealth shift of the costs of facility construction and renovation to the university (i.e., students) and stated that it is critical to sustain a strong bond rating and keep the cost of borrowing down.

President Meehan reported on innovative procurement measures resulting in \$39.6 million in savings in FY22, following \$22.3 million in FY21 savings; on the Legislature recently passed and Governor signed supplemental budget that supports the completed collective bargaining contracts; and on the student charges for the 2022-2023 academic year being considered by the Committee.

President Meehan discussed the University's cost of tuition freezes after two years (\$32 million) stating the he and the Chancellors concluded that such annual freezes are not sustainable if the University is to build on the excellence that has earned all of the campuses national rankings, expand on the historic investment from the philanthropic community, position the University to

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drive the post-pandemic economic recovery of Massachusetts, provide the first-rate facilities that the students deserve, and deliver the services that UMass students need to succeed. He then provided further context on the student charges for the Committee's consideration.

He also reported on the need for additional revenue and the impact of inflation colleges and universities across the nation including UMass. He stated that the finance team is working with the campuses to identify new opportunities to reduce costs without sacrificing quality.

Senior Vice President's Report

Senior Vice President Calise echoed the President's comments on the University's fiscal management over the past two years. She provided an overview of her team's presentation. Review of the Financial Accountability Framework, bond rating update, FY22 2nd quarter budget update, FY23 budget planning process update, and review of the tuition and mandatory fees.

Senior Vice President Calise highlighted the University's Accountability Framework noting the 4 areas used to manage the organization: oversight, internal controls, transparency, and risk management, and highlighted work of the A&F Roadmap, Shared Services initiatives, priorities over the next 18-24 months, and the Employee Services Team. She noted the University's bond sale in March (\$426M of bonds), acknowledged the Building Authority for its success, and noted debt facts for outstanding debt (\$3 billion), Annual debt service (\$221 million), and Deferred Maintenance Backlog (\$3.9 billion). She noted the University's rating by the rating agencies and discussed the elements of a bond rating. She highlighted FY22 Q2 projection for the campuses and President's Office, and UMass Global projection which is now reflected in the FY22 Q2 report.

Senior Vice President Calise provided an update on collective bargaining noting the progress made to finalize the contracts on behalf of the campuses (for FY21-FY23 period), and need to work with state colleagues to secure supplemental appropriation for the state's share of the cost. She reported that the Governor signed a supplemental appropriation over the weekend and thanked the teams across the University for their hardwork.

Discussion ensued on the University's operating margin related to the bond rating agencies expectations, the University's credit facilities, and work on additional revenue sources.

Public Speakers

Chris Brady, a UMass Amherst student, spoke to continued tuition increases and the unfairness of raising prices systematically and aggressively on students. He acknowledged the University system's need of more funding to maintain and expand its operations, but urged Trustees to pursue that funding through the state legislature instead of further contributing to the student loan crisis in America.

Chair Karam noted that there were four action items and reminded the Committee members to unmute themselves for the roll call votes and state their name when moving and seconding a motion.

Action Item #1: Establishment of Endowed Chairs and Professorships, UMass Amherst, Chan Medical School, Doc. T22-010

Chair Karam asked for a motion to approve the Establishment of Endowed Chairs and Professorships, at the University of Massachusetts Amherst and the University of Massachusetts Chan Medical School. It was moved by Trustee Epstein and seconded by Trustee Wu.

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 following:

The Donna M. and Robert J. Manning Dean at the University of Massachusetts Amherst.

The Elaine Marieb Endowed Professorship at the University of Massachusetts Amherst.

The Paros Chair of Atmospheric Research and Hazard Mitigation at the University of Massachusetts Amherst.

The William W. Boyer Endowed Professorship at the University of Massachusetts Amherst.

And further,

To establish the following:

The Donna M. and Robert J. Manning Chair in Neurosciences at the University of Massachusetts Chan Medical School.

The Donna M. and Robert J. Manning Chair in Orthopedics at the University of Massachusetts Chan Medical School.

The Donna M. and Robert J. Manning Chair in Obstetrics and Gynecology at the University of Massachusetts Chan Medical School.

The Donna M. and Robert J. Manning Chair in Nursing at the University of Massachusetts Chan Medical School.

The Donna M. and Robert J. Manning Chair in Biomedical Sciences at the University of Massachusetts Chan Medical School.

Chancellor Subbaswamy expressed his gratitude to the donors and thanked President Meehan on behalf of the Amherst campus for his generous gift of \$250,000 to help establish the Fuller and Meehan Endowed Professorship. This is the largest gift from a sitting president since the formation of the UMass five-campus system. He also thanked Chairman Manning and Donna Manning for their gift to the campus to help establish the first named dean of the College of Computer and Information Sciences.

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Chancellor Collins thanked and expressed his gratitude to Chairman Manning and Donna Manning for their generous gift that will establish the five endowed chairs at the Medical School.

The Secretary called the roll. Chair Karam voted for the motion as did Vice Chair O'Brien; Trustees Epstein, Houle, Kunda, Peyser, Tolman, Woolridge and Wu.

Action Item #2: Establishment of the Fuller and Meehan Endowed Professorship, UMass Amherst, Doc. T22-011

Chair Karam asked for a motion to approve the Establishment of the Fuller and Meehan Endowed Professorship at the University of Massachusetts Amherst. It was moved by Trustee Epstein and seconded by Trustee Woolridge.

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 following:

The Fuller and Meehan Endowed Professorship at the University of Massachusetts Amherst.

The Secretary called the roll. Chair Karam voted for the motion as did Vice Chair O'Brien; Trustees Epstein, Houle, Kunda, Peyser, Tolman, Woolridge and Wu.

Action Item #3: Authorization of University Line of Credit, Doc. T22-012

Chair Karam asked for a motion to approve the Authorization of the University Line of Credit. It was moved by Trustee Epstein and seconded by Trustee Woolridge.

To recommend that the Board take the following action:

Pursuant to Section 7 of Chapter 201 of the Acts of 2020 (the "UMass LOC Authorizing Act"), which amended Section 2 of Chapter 75 of the General Laws authorizing the University of Massachusetts (the "University") to enter into a working capital line of credit, the Board hereby authorizes the Senior Vice President for Administration and Finance and University Treasurer, subject to written approval from the Secretary of A&F, to initiate a line of credit (the "Current Line of Credit") to be applied to working capital expenses in furtherance of the purposes of the University or to refinance such borrowing (including without limitation any borrowing under any line of credit of the University previously authorized by the Board), and such borrowing may include without limitation the ability to pledge or assign or create security interests in funds or revenues of the University to pay or secure such working capital borrowings; provided that, the Senior Vice President for Administration and Finance and University Treasurer, acting singly, is hereby authorized to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable in connection with the University's entering into the Current Line of Credit; and provided that, the Senior Vice President for Administration and Finance and University Treasurer, acting singly, is hereby authorized to do all acts and things necessary or desirable in connection with the University's entering into any subsequent working capital line of credit under authority of this vote as long as said subsequent working capital line of credit is issued under terms substantially similar to

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the Current Line of Credit, as long as the maximum authorized principal amount that may be outstanding under said subsequent working capital line of credit does not exceed the maximum authorized principal amount that may be outstanding under the Current Line of Credit, and as long as said subsequent working capital line of credit satisfies the requirements of the UMass LOC Authorizing Act including without limitation being subject to written approval from the Secretary of A&F.

Chair Karam noted that the vote will allow Senior Vice President Calise the authority to renew future Line of Credit agreements, subject to written approval from the Secretary of A&F, as long as the line of credit does not exceed the maximum authorized principal amount.

Senior Vice President Calise reported on the pending renewal by Bank of America's of the University's existing line of credit (\$150 million).

The Secretary called the roll. Chair Karam voted for the motion as did Vice Chair O'Brien; Trustees Epstein, Houle, Kunda, Peyser, Tolman, Woolridge and Wu.

Action Item #4: Tuition and Mandatory Charges and Authorization to Approve Other Charges for Academic Year 2022-2023, Doc. T22-008

Chair Karam asked for a motion to approve the Tuition and Mandatory Charges and Authorization to Approve Other Charges for Academic Year 2022-2023. It was moved by Trustee Epstein and seconded by Trustee Wu.

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. The Tuition and Mandatory Fees at each campus is as outlined below for academic year 2022-23:

<u>Tuition & Mandatory Fees</u>	<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
Undergraduate (in-state)	\$16,952	\$15,172	\$14,854	\$16,182
Undergraduate (regional)	\$31,234	\$26,078	\$20,130	\$28,164
Undergraduate (out-of-state)	\$38,171	\$36,145	\$30,992	\$34,550
Graduate (in-state)	\$17,409	\$19,499	\$17,065	\$15,676
Graduate (regional)	\$31,486	\$33,669	\$21,560	\$23,782
Graduate (out-of-state)	\$36,803	\$37,484	\$30,253	\$27,750
Graduate Law School (in-state)			\$30,175	
Graduate Law School (regional)			\$32,175	
Graduate Law School (out-of-state)			\$39,275	

2. In accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following Tuition and Mandatory Fee rates for the Chan Medical School's graduate-only programs for academic year 2022-2023:

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<u>Tuition & Mandatory Fees</u>	<u>FY23</u>
T.H. Chan School of Medicine (in-state)	\$40,228
T.H. Chan School of Medicine (out-of-state)	\$67,608
Tan Chingfen Graduate School of Nursing (in-state)	\$16,296
Tan Chingfen Graduate School of Nursing (NE regional)	\$19,866
Tan Chingfen Graduate School of Nursing (out-of-state)	\$21,752
Tan Chingfen Graduate School of Nursing Graduate Entry Program (in-state)	\$47,754
Tan Chingfen Graduate School of Nursing Graduate Entry Program (NE regional)	\$54,380
Tan Chingfen Graduate School of Nursing Graduate Entry Program (out-of-state)	\$61,003
Morningside Graduate School of Biomedical Sciences (in-state)	\$16,418
Morningside Graduate School of Biomedical Sciences (out-of-state)	\$34,746

3. 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 2022-23.

<u>Room and Board</u>	<u>Amherst</u>	<u>Boston*</u>	<u>Dartmouth</u>	<u>Lowell</u>
Room	\$7,840	\$10,896	\$10,543	\$8,710
Board	\$6,936	\$6,000	\$5,591	\$5,220

**Board Only*

4. And further, to authorize the President to approve individual fee rates for other fees and fee/revenue based operations charges for all campuses.

Assistant Vice President Pasquini provided an overview of the FY23 budget planning process. She noted that major assumptions used to develop FY23 budget will be reviewed at the June Board meeting, real-time admissions data is being monitored in terms of enrollment and deposits assessed as the May 1st deadline approaches, the state budget process is well underway, bonds were issue last month with costs for Amherst, Dartmouth, and the Chan Medical School included in the budget assumptions including the impact of high inflation environment. She reviewed the Fall admissions tracking of new freshmen & transfer applications and acceptances.

She discussed the FY23 state budget request which puts students first by prioritizing student mental health (\$4 million requested) and financial aid (\$15 million requested). A request for fixed costs increase was also made (\$21 million of inflationary costs, and \$13 million for the incremental increase of collective bargaining for FY23 portion of the contract. She discussed the state budget impact of collective bargaining.

Assistant Vice President Pasquini reviewed the tuition and mandatory fees before the Committee for action. After a two-year freeze, in-state undergraduate tuition increase of 2.5% is being proposed. An out-of-state increase of 3% is proposed for UMass Amherst, and 2.5% for Boston, Dartmouth, and Lowell. Graduate tuition increases are similar to the undergraduate at 2.5% with the exception of Dartmouth which is remaining flat as part of their enrollment strategy to increase graduate students next year. The mandatory fees includes a technology fee, with a proposed \$100 increase from \$400 to \$500 annually at the undergraduate campuses, and a student activity fees

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which is voted by the students. The Law School at the Dartmouth campus is proposing a 3.2% increase for in-state tuition and mandatory fees and 3% for out-of-state. At the UMass Chan Medical School, the Chan School of Medicine, the Graduate School of Medicine, and the Graduate School of Biomedical Sciences propose an increase of 2.5% in tuition and 2.3-2.5% in mandatory fees. She reviewed the room and board increase for the campuses. Additionally, she discussed Tuition rate impacts over time and University funded financial aid increases.

Trustee Bhandari expressed her support of Mr. Brady's earlier argument to not raise tuition and fees and spoke to the financial impact on students and urged the Committee to not vote yes on the tuition and fees increase.

Related to the financial aid component of the Governor's FY23 budget proposal discussed by Assistant Vice President Pasquini, Trustee Peyser shared that the current FY22 GAA (General Appropriation Act) approved budget has about \$130 million for higher education financial aid across all 3 sectors and noted an \$25 million increase of a line item that would go to students attending UMass because of an extension of the MASSGrant Plus Program to UMass. He provided some background for the Committee on the MASSGrant Plus Program (a need-based scholarship program) available to all students attending public or private schools in Massachusetts.

Trustee Wu thanked Trustee Bhandari and Chris Brady for raising the students concerns and spoke to the Trustees roles as fiduciaries to the University and as ambassadors to their constituents. He suggested that the Student Trustees be provided with information and talking points they can communicate to the students.

The Secretary called the roll. Chair Karam voted for the motion as did Vice Chair O'Brien; Trustees Epstein, Peyser, Tolman, Woolridge and Wu. Trustees Houle and Kunda voted against the motion.

Consent Agenda

Chair Karam then asked for a motion to place Action Items #1-3 on a Consent Agenda for the full meeting of the UMass Board. It was moved by Trustee Epstein and seconded by Trustee Woolridge.

The Secretary called the roll. Chair Karam voted for the motion as did Vice Chair O'Brien; Trustees Epstein, Houle, Kunda, Peyser, Tolman, Woolridge and Wu.

Information Items: Quarterly Capital Report, Legislative Report, FY22 Q2 Report, Sustainability Report; and Financial Aid Report

Chair Karam reported that five detailed reports were posted for the Committee's information. The Quarterly Capital Report which provides updates to the standard dashboards; the Legislative Report required per the annual state budget and filed on January 14th; the FY22 Q2 Report presented earlier by Senior Vice President Calise; the Sustainability Report which reflects an update of efforts toward environmental sustainability as required per Board policy; and the Financial Aid Report presented by Assistant Vice President Pasquini in Tuition & Fees presentation. The full report includes more details for each campus.

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

The time was 10:33 a.m.

Zunilka Barrett
Secretary to the Board