



# University of Massachusetts

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**To:** Glen Shor, Secretary  
**From:** Christine Wilda, Senior Vice President of A&F and Treasurer  
**Cc:** Secretary Malone, President Caret, Emme Shultz, Molly Bench, Justin Sterritt, Rob Dolan, David Bunker, Matthew Gorzkowicz, LeeAnn Pasquini  
**Re:** FY16 Budget Request – University of Massachusetts  
**Date:** November 21, 2014

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**Purpose:** The purpose of this memorandum is to provide you with the details in support of the University's FY16 funding request per your request. The following topics are included:

1. FY16 Budget Request for the University's base Appropriation
2. FY16 Collective Bargaining Funding
3. FY16 Budget Request for the University's Program Specific Appropriations
4. Tuition Retention & Matching Grant proposals
5. FY16 Tuition Remitted Revenue Projection
6. Attachments:
  - a. Tuition Retention Language – Attachment A
  - b. Matching Endowment Funds Language – Attachment B
  - c. Table Showing Total Collective Bargaining Cost (FY15-FY18) – Attachment C
  - d. Link to UMass Performance - <http://media.umassp.edu/massedu/media/pointsofpride2012.pdf>
  - e. Link to UMass Planning - <http://www.massachusetts.edu/umassplanning/>

The University is grateful for the commitment that the State has made over the past two fiscal years through its investment in the 50:50 funding plan. The result is that our students have benefitted from a freeze in tuition and mandatory fees for the last two years (FY14 and FY15). At the same time the University has continued to grow enrollment and improve quality throughout the UMass System.

Operating as a five campus system, UMass educates more than 73,000 students and graduates more than 16,000 students each year. Our graduates are leaders in every sector of society, some are world-renowned and all make significant contributions to Massachusetts and the world. Nearly 266,000 UMass graduates live and work in the Commonwealth. The UMass faculty includes a Nobel Laureate, Pulitzer Prize winners, members of the National Academy of Sciences, an American Book Award winner and Fulbright, Guggenheim, MacArthur and Mellon fellows. Twelve UMass faculty have been named to the list of the World's Most Scientific Minds of 2014.

A recent economic impact analysis indicates that with the help of the state's \$519M investment in the University of Massachusetts in 2013, we generated an estimated \$6.1 billion impact on the state's economy. Thus, every \$1 of state investment helps UMass generate \$12 in economic activity for the Commonwealth. Additionally, the University operates a variety of

programs with regular on-site staff at over 75 locations, touching every corner of the Commonwealth, specializing in the areas of education, economic development, health, the environment, arts and culture, and public policy. UMass opened its first system center, UMass at Springfield, in September 2014.

UMass is also a major strategic partner with the Commonwealth and has helped grow and expand the State's economy in a variety of ways:

- In research and development expenditures UMass reached nearly \$600 million and licensing revenue from the commercialization of research was more than \$35 million, up from \$377 million in R&D expenditures and \$28M in licensing revenue just a decade earlier.
- In life sciences, for example, approximately \$1.2 billion has been committed across the five UMass campuses in life sciences and related facilities (which includes \$250 million invested by the Massachusetts Life Sciences Center), which has supported the construction of the Institute for Applied Life Sciences at Amherst, the Integrated Sciences Building at Boston, the Mass-Biologics South Coast Facility in Fall River, the Emerging Technologies and Innovation Center at Lowell, and the Albert Sherman Center at the Medical School.
- In terms of degree production, UMass has increased the number of students graduating with life sciences degrees by 70 percent – from 1,621 in 2007 to 2,758 in 2013.
- And, UMass has invested its own funds to develop and foster mechanisms for external partnerships, including the UMass Innovation Institute and the Massachusetts Green High Performance Computing Center in Holyoke, both of which serve as models for economic and industry engagement.

## **1. FY16 Budget Request; 7100-0200 The University' Base Appropriation**

In FY14 the University advanced a funding proposal aimed at trying to come up with a more equitable solution for Massachusetts families to be able to afford sending their children to the University of Massachusetts. The proposal suggested that the Commonwealth provide 50% of the cost of educating an in-State student at UMass. Recognizing the fiscal challenges the State faced at the time, it was agreed that the delta needed to reach 50:50 and would be phased in over a two year period. In exchange, the University agreed to freeze the mandatory curriculum fee for in-State students. The current year budget (FY15) provided the funding necessary to get to the 50:50 and allow for a freeze in mandatory fees for the second year in a row.

For FY 16 there are a few options for the State to fund the University's base appropriation that will maintain this commitment and limit the increases in mandatory fees with the possibly to freeze them once again. The FY16 request also includes proposals to more adequately fund the Medical School allowing them to implement their vision for medical research and education in the Commonwealth. Because the Medical School is a graduate program it was excluded from the 50:50 formula, which focused primarily on in-State undergraduates. The Medical School also operates under certain statutory restriction, such as the number of students they can accept and that they can only admit Massachusetts residents. These factors require that the Medical school be given special consideration as it relates to their funding needs. The options for FY16 are as follows:

## Investing in UMass

Options One and Two below are what the University considers a maintenance level of funding if it is to stay at or close to the 50/50 commitment and fund the State's share of collective bargaining costs, which were determined by parameters issued by the Executive Office for Administration and Finance. If the Commonwealth were to make the kind of strategic investments called for in the Higher Ed Finance Commission report, the University would be able to increase its value to the Commonwealth beyond what it has been able to achieve over the past decade. More specifically, the Higher Ed Finance Commission calls for an investment of \$95 million per year for all three segments of Higher Education, not including collective bargaining. For the University this would amount to approximately **\$73 million investment** and would enable the University and its campuses to significantly enhance quality, increase operational efficiencies and better position the University to compete with peer institutions in areas of research that are vital to growing our State's economy. Furthermore, it would allow the University to continue to play a larger role in growing and expand specific sectors of the Massachusetts economy as it has done in the areas of Technology, Life Sciences and Clean Energy.

| Description of Funding   | Option 1         | Option 2         |
|--|------------------|------------------|
| (1) <b>FY15 GAA + FY15 Collective Bargaining</b>   | \$ 531.70        | \$ 531.70        |
| (2) Include Tuition Retention Language (Appendix A) while maintaining the base appropriation, or   |                  |                  |
| (3) Maintain 50/50 Progress  |                  | \$ 26.00         |
| (4) Phase in Medical School Maintenance Funding  | \$ 3.00          | \$ 3.00          |
| Fund FY 16 State portion of Collective Bargaining  | \$ 20.60         | \$ 20.60         |
| Total \$ Increase Over FY15 GAA + CB   | \$ 23.60         | \$ 49.60         |
| Total % Increase Over FY15 GAA + CB  | 4%               | 9%               |
| <b>TOTAL FY16 REQUEST TO MAINTAIN</b>  | <b>\$ 555.30</b> | <b>\$ 581.30</b> |
| <b>Investment Option: Investment Consistent with the Higher Ed Finance Commission Report</b>   | <b>\$ 23.40</b>  | <b>\$ 23.40</b>  |
| <b>TOTAL FY16 REQUEST WITH INVESTMENT</b>  | <b>\$ 578.70</b> | <b>\$ 604.70</b> |
| <i>(1) FY15 GAA Totals \$518.6M; FY15 Collective Bargaining Totals \$13.1M for which funds have been requested, but not appropriated.</i>  |                  |                  |
| <i>(2) This would allow for campuses to retain approximately \$31M in revenues that would otherwise be remitted to the State's General Fund.</i>   |                  |                  |
| <i>(3) This is the calculated need to maintain the 50/50 proposal based on current assumptions.</i>  |                  |                  |
| <i>(4) The Medical School is not included in the 50/50 formula and has restrictions including enrollment caps and residency requirements that require separate funding considerations.</i> |                  |                  |

As you know, the University's entire base appropriation (7100-0200) is used to support salaries and the associated fringe benefits for employees funded from the State appropriation and as such all of the funding in the base appropriation and any additional funding in FY16 should be programed into salary expenses.

### Option 1

Increase the University's FY15 base appropriation by \$20.6 million, the amount needed to fund the incremental cost of the collective bargaining contracts for FY16, phase in funding to the Medical School as they are not included in the 50/50 formula and allow the University to retain tuition currently remitted to the Commonwealth by including the language provided in

Attachment A of this memo. **The University's base appropriation totals: \$555.3 million.** See the table below.

| <b>Option 1:</b>  |                 |
|---|-----------------|
| <b>*FY15 GAA + FY15 Collective Bargaining</b>   | \$ 531.7        |
| <i>**Include Tuition Retention Language (Appendix A) while maintaining the base appropriation</i>   |                 |
| <b>***Phase in Medical School Maintenance Funding</b>   | \$ 3.0          |
| Fund FY 16 State portion of Collective Bargaining   | \$ 20.6         |
| <b>Total \$ Increase Over FY15 GAA + CB</b>   | <b>\$ 23.6</b>  |
| Total % Increase Over FY15 GAA + CB   | 4.4%            |
| <b>TOTAL FY16 BUDGET REQUEST</b>  | <b>\$ 555.3</b> |
| <i>*FY15 GAA Totals \$518.6M; FY15 Collective Bargaining Totals \$13.1M for which funds have been requested, but not appropriated.</i>  |                 |
| <i>**This would allow for campuses to retain approximately \$31M in revenues that would otherwise be remitted to the State.</i>   |                 |
| <i>***The Medical School is not included in the 50/50 formula and has restrictions including enrollment caps and residency requirements that require separate funding considerations.</i> |                 |

Option 2

Increase the University FY 15 base appropriation by \$26 million, the amount necessary to maintain the 50:50, phase in funding for the Medical School as they are not included in the 50/50 formula, plus an additional \$20.6 million, the amount needed to fund the incremental cost of collective bargaining for FY16. This option does not include the Tuition Retention, but it does not preclude it from being considered as separate legislation. **The University's base appropriation totals: \$581.3 million.** See the table below:

| <b>Option 2:</b>  |                 |
|---|-----------------|
| <b>*FY15 GAA + FY15 Collective Bargaining</b>   | \$ 531.7        |
| <b>**Maintain 50/50 Progress</b>  | \$ 26.0         |
| <b>***Phase in Medical School Maintenance Funding</b>   | \$ 3.0          |
| Fund FY 16 State portion of Collective Bargaining   | \$ 20.6         |
| <b>Total Increase Over FY15 GAA</b>   | <b>\$ 49.6</b>  |
| Total % Increase Over FY15 GAA + CB   | 9.3%            |
| <b>TOTAL FY16 BUDGET REQUEST</b>  | <b>\$ 581.3</b> |
| <i>*FY15 GAA Totals \$518.6M; FY15 Collective Bargaining Totals \$13.1M for which funds have not been appropriated to date.</i>   |                 |
| <i>**This is the calculated need to maintain the 50/50 proposal based on current assumptions.</i>   |                 |
| <i>***The Medical School is not included in the 50/50 formula and has restrictions including enrollment caps and residency requirements that require separate funding considerations.</i> |                 |

**Recommended Line Item Language for 7100-0200:**

*For the operation of the University of Massachusetts; provided, that notwithstanding any general or special law to the contrary, the university may establish and organize auxiliary organizations subject to policies, rules and regulations adopted by the board, to provide essential functions which are integral to the educational mission of the university; provided further, that notwithstanding any general or special law to the contrary, the university may enter into leases*

*of real property without prior approval of the division of capital asset management and maintenance.*

## 2. Collective Bargaining Agreements and Funding

The incremental cost of the University’s collective bargaining agreements for FY16 is \$41.7 million, of which the State’s share is \$20.6 million. As you know the financial parameters of these contracts were set by Office of Employee Relations (OER) and the Executive Office for Administration and Finance (A&F). The State’s share of the total collective bargaining cost is less than 50% of the amount needed in FY16. The University cannot absorb these costs and will not be able pay the incremental salary increases that have been bargained unless funding for the State’s share is provided.

I would also remind you that the FY 15 incremental cost of the collective bargaining contracts is still pending. On July 29, 2014 the University requested a separate appropriation for four contracts that had been ratified totaling \$2,599,062. Additionally, on November 19<sup>th</sup>, the University requested an additional \$4,925,864 for another ratified contract and a separate reserve to fund the remaining contracts totaling \$5,576,773 so that the University could continue to negotiate in good faith knowing that funding will be available for the contracts (a total of \$13,101,699) as they are completed and ratified.

Appendix C details the three year costs of the University’s collective bargaining contracts.

## 3. FY16 University’s Program Budget Line Items

In addition to the main appropriation for the University, there are several line items included in the State budget that provide direct support to our campuses and fund specific programs. Below is a description of each of these important line items and the FY16 funding request:

1599-7104 – Star Store and Alleviation of Overcrowding (\$4.1 million) - The Star Store facility is a state-of-the-art facility home to hundreds of artists working in a variety of disciplines and has developed strategic partnerships with New Bedford arts organizations. The Star Store is also home to a number of impressive exhibition spaces, which features exhibitions of local, national, and international renown. The facility includes administrative and academic office space, provides learning spaces for Bristol Community College, and provides quality meeting space for community organizations.

This line item also funds the operational costs, such as leases, associated with the continuation and expansion of satellite centers including the Haverhill Center and Springfield Center.

| Dept | Line Item | Line Item Language          | FY15 GAA  | FY16<br>Maintenance |
|------|-----------|-----------------------------|-----------|---------------------|
| ANF  | 1599-7104 | Star Store and Overcrowding | 6,490,961 | 4,100,000           |

1599-3857 – Advanced Manufacturing & Technology Center (\$1.6 million) – The AMTC provides infrastructure for early-stage and transition companies as they grow and mature. The primary objective of the AMTC is to provide an environment where technology companies will

develop into employers located in Southeastern Massachusetts. By attracting these companies to the AMTC, the University facilitates the economic growth of the region. Participating companies benefit from an environment that includes quality space, complete facilities and support services, technical and business expertise, and proximity to other companies facing similar challenges. Access to UMass Dartmouth faculty and staff, as well as the fully-equipped research laboratories, is one of the most beneficial resources. Additionally, business and technical support is available from the UMass Dartmouth. The services include strategic and business planning, financial and capital planning as well as market research. The University will also help with legal and intellectual property issues as needed. The Center has established commercial alliances with accounting, legal, human resources and funding organizations. The AMTC also provides a wide array of intern and work experiences for UMass Dartmouth students. This line item, historically funded at \$1,581,922, has supported the lease and operations of the AMTC in Fall River. However, this past summer the Dartmouth campus acquired the AMTC with funding provided in the Life Sciences Bond Bill and approved by the Life Sciences Board. Due to the acquisition, the funding for the lease costs estimated at \$514,830 are no longer needed, but the remaining amount that supports the ongoing operational costs of the center is needed. Funding for this item was not included in the FY15 GAA and the University is requesting that \$1,067,092 be restored to support operating costs of the AMTC and to ensure that it continues to be a successful resource to growing companies in the area.

| Dept | Line Item | Line Item Language                 | FY15 GAA   | FY16 Maintenance |           |
|------|-----------|------------------------------------|--|------------------|-----------|
| ANF  | 1599-3857 | Advanced Manufacturing & Tech. Ctr | For annual operations of the advanced technology in Fall River | -                | 1,067,092 |

1599-4417 – Edward J. Collins Institute (\$541K) - The Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts at Boston's McCormack Graduate School of Policy Studies provides Massachusetts state and local governments with cost-saving, revenue-enhancing, and performance-improving services. These services include assistance to Massachusetts municipalities to achieve savings through consolidated purchasing, service exchanges, governance reforms, cost-saving technologies, and incentive programs, as well as revenue-enhancement support.

In the five years since its founding, the Center has provided services to scores of the Commonwealth's cities and towns, as well as to numerous state agencies. The support from the Commonwealth allows the Center to provide specialized services and expertise to public sector clients that would not otherwise be available and to provide these services at a reduced cost.

| Dept | Line Item | Line Item Language           | FY15 GAA  | FY16 Maintenance |         |
|------|-----------|------------------------------|---|------------------|---------|
| ANF  | 1599-4417 | Collins Ctr. Public Mgt. UMB | For the Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts at Boston's John W. McCormack Graduate School of Policy and Global Studies | 300,000          | 541,000 |

2210-0105 – Toxic Use Reduction Institute (\$1.7 million) - The Massachusetts Toxics Use Reduction Institute (TURI) at the Lowell campus was created to promote reduction in the use of toxic chemicals and the generation of toxic by-products in industry and commerce in the Commonwealth of Massachusetts.

| Dept | Line Item | Line Item Language                   | FY15 GAA  | FY16 Maintenance |
|------|-----------|--------------------------------------|-----------|------------------|
| DEP  | 2210-0105 | UML - Toxics Use Reduction Institute | 1,629,860 | 1,629,860        |

7100-0700 – Massachusetts Office of Public Collaboration (\$940K) - The MA Office of Public Collaboration state-wide mission is the state's dispute resolution office pursuant to G.L. Ch. 75, Section 46. The office's public mandate is to assist the three branches of government (executive, judicial and legislative), municipalities and public authorities with the design and administration of dispute resolution programs, mediation of public policy disputes, and facilitation of collaborative problem-solving and community involvement on contentious public issues. In addition, the Massachusetts Community Mediation Center Grant Program, administered by the Massachusetts Office of Public Collaboration under G. L. Ch. 75, Section 47 promotes community mediation as an affordable public service.

| Dept | Line Item | Line Item Language                           | FY15 GAA | FY16 Maintenance |
|------|-----------|--|----------|------------------|
| UMS  | 7100-0700 | Massachusetts Office of Public Collaboration | 750,000  | 940,000          |

2000-1207 – State Climatologist (\$200K)

| Dept | Line Item | Line Item Language  | FY15 GAA | FY16 Maintenance |
|------|-----------|---------------------|----------|------------------|
| EEA  | 2000-1207 | State Climatologist | 200,000  | 200,000          |

7100-0500 – Commonwealth Honors College (\$3.6 million) - Commonwealth Honors College mission is to provide an excellent and affordable education to academically talented students from all backgrounds and to prepare them for responsible engagement in society by fostering intellectual curiosity, interdisciplinary analysis, and academic rigor within a supportive, socially-just community.

| Dept | Line Item | Line Item Language          | FY15 GAA | FY16 Maintenance |
|------|-----------|-----------------------------|----------|------------------|
| UMS  | 7100-0500 | Commonwealth Honors College | -        | 3,630,000        |

Medical School Learning Contracts – In addition, the Medical School is seeking to retain reimbursements for the Learning Contracts which defers payment of 2/3 of tuition in lieu of certain terms of service. Typically the contracts require that students provide primary care services in the Commonwealth for a certain length of time. Currently, when a student does not meet the terms of the contracts repayments go to the Commonwealth's General Fund. The Medical School is seeking to retain this revenue beginning in FY16.

## Summary of University of Massachusetts Line Items FY16 Budget Request:

Below is a table showing all of the University's line items, the FY15 funding amount and the FY16 request.

| Dept | Line Item |  | FY15 GAA    | FY15 GAA + CBB + Requested Supps | FY16 Budget Request |
|------|-----------|--|-------------|----------------------------------|---------------------|
| UMS  | 7100-0200 | University of Massachusetts: Option 1        | 519,005,373 | 532,107,072                      | 555,308,452         |
| UMS  | 7100-0200 | University of Massachusetts: Option 2        | 519,005,373 | 532,107,072                      | 581,308,452         |
| ANF  | 1599-7104 | Star Store and Overcrowding                  | 6,490,961   | 7,490,961                        | 4,100,000           |
| ANF  | 1599-3857 | Advanced Manufacturing & Tech. Ctr           | -           | 1,067,092                        | 1,067,092           |
| ANF  | 1599-4417 | Collins Ctr. Public Mgt. UMB                 | 300,000     | 300,000                          | 541,000             |
| UMS  | 7100-0700 | Massachusetts Office of Public Collaboration | 750,000     | 750,000                          | 940,000             |
| DEP  | 2210-0105 | UML - Toxics Use Reduction Institute         | 1,629,860   | 1,629,860                        | 1,629,860           |
| EEA  | 2000-1207 | State Climatologist                          | 200,000     | 200,000                          | 200,000             |
| UMS  | 7100-0500 | Commonwealth Honors College                  | -           | -                                | 3,630,000           |

### 4. FY16 Tuition Remitted Revenue Projections:

The Commonwealth has several source codes for revenue generated by the University of Massachusetts. They include Fringe paid on employees not supported by the State appropriation and Remitted Tuition. For FY16 we project that the amount of tuition remitted will be approximately \$31 million.

### 5. Other FY16 Initiatives

**Tuition Retention:** Full tuition retention is an idea that was first suggested nearly 24 years ago by the Saxon Commission and would allow the University to join nearly every other state in the nation by giving the public university the authority to retain tuition. The proposal is also an important step toward making the University more transparent to our students and their families by allowing them to see student charges in a way that alleviates much of the confusion that currently exists between tuition and mandatory fees. This dynamic is unique to Massachusetts and does not exist in other public universities. Finally, this proposal compliments the 50:50 funding model by ensuring that all tuition and fees along with the State appropriation will be fully supporting the cost of educating a student.

**Request:** *For language in Attachment A to be supported for FY16*

### Additional Background

The University has the unusual distinction of having mandatory fees, rather than tuition, make up the bulk of the cost of attending its campuses. Tuition is set by the Massachusetts Board of Higher Education, is generally remitted to the state as a user fee, and has not increased in more than a decade. Fees are set by the UMass Board of Trustees, are retained by the University, and in most years increase at a rate comparable to inflation and total amount of State support

provided in annual budget. This has led to a high fee, low tuition billing model that is antiquated in today's higher education world. Most would agree that the current model is confusing and should be changed to conform to best practices that provide greater transparency to students and their families and to avoid confusion around existing tuition waivers.

Tuition Retention would allow the University of Massachusetts to join the overwhelming majority of other states in retaining all tuition. This would allow UMass to be more transparent in its billing. A simple bill would be given to students and parents that more accurately reflects the cost of education and separate out what is tuition, the cost of core education services, versus fees paid on other services such as, housing, food, health care, certain programs, etc. that should be fee based. The bill would also show in state students and parents the discount they receive through the legislature and Governor's commitment to public higher education. The requested language would accomplish the following:

- Tuition and Fee Setting Authority - Currently the UMass Board sets fees and the Board of Higher Education sets tuition. The proposed language would give the UMass Board the authority to set all student charges.
- Tuition Retention and State Appropriations – There would be no change to the State appropriation under the proposal suggested above (option 1). Beginning in FY12, the University was given the ability to retain all non-resident tuition. Resident tuition that is remitted to the state is projected to be approximately \$31 million in FY16. Normalizing our tuition and fee structure would logically include eliminating tuition remission. This legislation follows the same provision currently in place for out-of-state tuition retention and is consistent with the Tuition Retention programs that have existed for some time at Mass Art and the Mass Maritime.
- Waivers - the legislature has enacted numerous tuition waiver programs to address the needs of different groups of Massachusetts residents. Since resident tuition is remitted to the state, the costs of the waivers have been born by the state and are limited by the relatively low value of tuition. Were the University to shift to a more traditional tuition and fee model, the costs would shift to the University and would greatly increase commensurate with the re-sizing of tuition as a proportion of student charges. The solution provided in this legislation would be to freeze the value of the waivers at the current level, and make any expansion of waiver programs subject to appropriation. In addition, if the University is to be successful in developing a more rational approach to setting tuition and fees, it needs to have authority over a select few waivers that only apply to the University and impact how it sets tuition and fees. The legislation proposes that the University's Board shall administer these select waivers.

### **State Matching Endowment Incentive Program**

State matching funds programs serve as powerful incentives for public universities to raise funds from private sources. Public colleges and universities that fully utilize state matching funds programs maintain a considerable competitive advantage over their peer institutions. The availability of matching funds from state appropriations is a major factor in the fundraising success of many public universities. In the past, the Commonwealth's Public Higher Education Endowment Incentive Program matched 50 percent of gifts to the University's endowment, funds that can be designated for academic purposes, including scholarships, facility construction or named faculty chairs. Endowment giving for faculty support, faculty-led research

programs and financial aid provide opportunities for positive press and the building of a donor base.

For public universities with modest fundraising histories, matching funds provide a strong incentive to flag the important role that the endowment can play in supporting University operations. The use of matching funds to encourage endowment giving has produced dramatic results. The last endowment match program sponsored by the Commonwealth was funded at \$20 million and helped the University to raise over \$92 million in private funds and added \$142 million to the University's endowment. This fueled the establishment of more than 70 endowed professorships and chairs and numerous scholarships for students.

***Request: \$10 million – see Attachment B***

**Attachment A:  
Tuition Retention Language**

SECTION 1. Chapter 75 of the General Laws is hereby amended by inserting after section 1A the following section:-

Section 1B. (a) For the purposes of this section, the following words shall have the following meanings:- “student charges” in-state and out-of-state tuition and fees that are charged to students for general attendance at the university, but shall not include any fee or other charge established by the university that is specific to a particular course, program or activity, and shall not include any charges for room, board or student health insurance; “student tuition credit” a reduction in student charges for an eligible student.

(b) The University of Massachusetts shall retain all student charges and shall fix and establish student charges for the university. In-state tuition and mandatory student charges shall preserve affordability for residents of the commonwealth. Out-of-state student charges shall appropriately balance the financial needs of the university with the need to be competitive with peer institutions and, to the extent possible, cover, at minimum, the actual cost of the student’s education. Tuition shall comprise the majority portion of student charges. In establishing student charges the board of trustees shall consider factors including, but not limited to, the Consumer Price Index, the Higher Education Price Index, tuition and fee rates at peer institutions, collective bargaining costs and total support from the commonwealth including direct appropriations along with other relevant data and measures.

(c) All student charges received by the university under this section shall be retained by the university in a revolving trust fund and shall be expended as the board of trustees may direct for the operation and support of the institution. Any balance in a trust fund at the end of a fiscal year shall continue to be held in the trust fund, shall remain available for expenditure in subsequent fiscal years and shall not revert to the General Fund. All such trust funds shall be subject to audit by the state auditor. The university shall provide a statement of charges to students that include all student charges. The statement of charges, in a form approved by the board of trustees, shall specifically break down the student charges and factor a discount rate for in-state students and a discount for any student tuition credit for which a student is eligible.

(d) For employees of the University who are paid from tuition retained under subsection (b) and (c), fringe benefits and collective bargaining shall be funded as if those employees' salaries were supported by state appropriations and such funds shall not be assessed fringe. This section shall apply only to fringe benefits and collective bargaining costs associated with salaries paid from retained tuition.

(e) All tuition waivers, grants and scholarships identified in chapter 15A, other statutes and reductions collectively bargained that are in the form of a tuition or fee waiver shall be student tuition credits. Student charges shall be reduced by any student tuition credits for which a student is eligible.

(f) The board of trustees shall not recognize any future tuition waivers, grants or scholarships identified in chapter 15A, other statutes or reductions collectively bargained that are in the form of a tuition or fee waiver unless the reduction is accompanied with an appropriation that fully supports them or the reduction is approved by the board of trustees.

SECTION 2. Subsection (i) of section 9 of chapter 15A of the General Laws is hereby amended by striking out the words “In the case of the University, the council shall review the

recommendations of the board of trustees relative to tuition rates at said university and its campuses. Said tuition rates shall be subject to the approval of the council” and inserting in place thereof the following words:- Tuition rates shall be subject to the approval of the council; provided, however, that tuition rates at the University of Massachusetts shall be set subject to sections 1A and 1B of chapter 75 and shall not require the approval of the council.

SECTION 3. Section 1A of chapter 75 of the General Laws is hereby amended in the fifth paragraph by striking out subparagraph (p).

SECTION 4. (a) Notwithstanding any general or special law to the contrary, the University of Massachusetts shall consider all tuition waivers, grants and scholarships identified in chapter 15A of the General Laws, other statutes and reductions collectively bargained that are in the form of a tuition or fee waiver available to students as student tuition credits as defined in section 1B of chapter 75 of the General Laws.

(b) On July 1, 2014 the University of Massachusetts shall calculate the value of all existing tuition waivers in said section 19 of said chapter 15A or reductions collectively bargained.

(c) The calculated value of the tuition waivers, grants and scholarships identified in chapter 15A of the General Laws, other statutes and reductions collectively bargained that are in the form of a tuition or fee waiver calculated in subsection (b) shall be credited to the eligible student as a student tuition credit on their statement of charges of student charges as defined by said section 1B of said chapter 75.

(d) The University of Massachusetts shall report to the senate and house committee on ways and means, the joint committee on higher education and the board of higher education the existence and the calculated value of all tuition waivers, grants and scholarships identified in chapter 15A of the General Laws, other statutes and reductions collectively bargained that are in the form of a tuition or fee waiver at the University of Massachusetts.

SECTION 5. **[NOTE: This section was already included in the FY13 Budget along with the 50:50 funding language in section 162]** Notwithstanding any general or special law to the contrary the University of Massachusetts shall annually report to the senate and house committee on ways and means, the joint committee on higher education, the secretary of administration and finance and the secretary of education: (1) the status of the percentage of student education costs placed upon the student and subsidized by the commonwealth with the goal of providing education costs to students at an equal 50/50 share between the commonwealth and the students; (2) a comprehensive document articulating the efficiencies and effectiveness of initiatives and programs at the University that save the commonwealth and students money and make the 5 campus system more efficient.

SECTION 6. Notwithstanding any general or special law to the contrary all tuition and fee waivers that are exclusive to the University of Massachusetts shall only require the approval by the board of trustees of the University of Massachusetts.

SECTION 7. Sections 1 to 6, inclusive, shall take effect on July 1, 2015. ***[This effective date assumes that it will be implemented for FY16 per the option one above]***

**Attachment B  
Higher Ed Endowment Matching Funds**

7066-0115. For the purposes of implementing section 15E of chapter 15A of the General Laws to encourage private fundraising by the commonwealth's public institutions of higher education for the endowments and capital outlay programs of those institutions; provided, that the board of higher education shall implement this program in a manner which ensures that each institution shall have an equal opportunity to secure matching funds from this item; provided further, that \$10,000,000 shall be allocated to University of Massachusetts campuses; provided further, that \$5,000,000 shall be allocated to state college campuses; provided further, that \$5,000,000 shall be allocated to community college campuses; provided further, that if any funds allocated herein for disbursement to state and community college campuses shall be unused, the remaining funds shall be made available to University of Massachusetts' campuses.....  
\$10,000,000 (\$20,000,000 was done last time funding was provided)

**Attachment C  
Collective Bargaining Detail**

| SUMMARY OF TOTAL COSTS - ALL FUNDING SOURCES |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Category                                     | FY15                     | FY16                     | FY17                     | FY15 + FY16 + FY17       |
|  | July 1, 2014 - 30-Jun-15 | July 1, 2015 - 30-Jun-16 | July 1, 2016 - 30-Jun-17 | July 1, 2014 - 30-Jun-17 |
| Non-Appropriation*                           | \$7,917,657              | \$19,422,033             | \$30,893,984             | \$58,233,675             |
| State Appropriation (1)                      | \$13,101,699             | \$31,913,665             | \$50,666,912             | \$95,682,277             |
| <b>Total Costs*</b>                          | <b>\$21,019,356</b>      | <b>\$51,335,698</b>      | <b>\$81,560,896</b>      | <b>\$153,915,952</b>     |

(1) In addition, the Worcester campus recently negotiated a series of contracts covering a different contract period totaling \$7.5 million, not shown in the summary table or the list below. This brings the University's total cost in FY15 to \$28.5 million. For FY16 it brings the total cost to \$41.7 million with State's share totaling \$20.6 million

| SUMMARY OF APPROPRIATION REQUEST - STATE FUNDING |                      |         |                       |   |   |   |   |                                    |                |  |
|--|----------------------|---------|-----------------------|---|---|---|---|------------------------------------|----------------|--|
| Campus   | Unit                 | BU      | Category              | FY15<br>July 1, 2014 -<br>June 30, 2015 | FY16<br>July 1, 2015 -<br>June 30, 2016 | FY17<br>July 1, 2016 -<br>June 30, 2017 | FY15 + FY16 + FY17<br>July 1, 2014 -<br>June 30, 2017 | Previously<br>Funded in<br>Account | Add'l<br>Units | Legal Name   |
| Amherst  | AFSCME 1776          | A01     | Maintenance           | \$555,973                               | \$1,316,818                             | \$2,068,779                             | \$3,941,571   |                                    |                | American Federation of State, County and Municipal Employees, Local 1776, AFL-CIO (Unit A01) |
| Amherst  | IBPO 432 (A/B)       | A06     | Police                | \$34,996                                | \$78,984                                | \$122,481                               | \$236,461   | 1599-4400                          |                | International Brotherhood of Police Officers, Local 432 (A&B Units) (Unit A06)               |
| Amherst  | NE Police Benevolent | A07     | Police                | \$71,157                                | \$156,273                               | \$240,411                               | \$467,841   | 1599-4400                          |                | New England Police Benevolent Association (Unit A07)   |
| Amherst  | MTA/NEA USA/MTA      | A08     | Clerical/Technical    | \$689,965                               | \$1,691,808                             | \$2,682,272                             | \$5,064,045   | 1599-4401                          |                | University Staff Association/MTA/NEA (Unit A08)  |
| Amherst  | MTA/NEA Class Unit B | A15     | Classified            | \$58,587                                | \$134,478                               | \$209,489                               | \$402,553   | 1599-4402                          |                | Non-Exempt Supervisors Unit, Unit B/MTA/NEA (Unit A15)                                       |
| Amherst  | MTA/NEA MSP          | A50     | Faculty               | \$4,925,864                             | \$12,129,579                            | \$19,323,659                            | \$36,379,102  | 1599-4403                          | and<br>B40     | Massachusetts Society of Professors/Faculty Staff Union/ MTA/NEA (Units A50 and B40)         |
| Amherst  | MTA/NEA Prof         | A52     | Professional          | \$2,114,871                             | \$5,207,716                             | \$8,296,423                             | \$15,619,010  | 1599-4404                          | and<br>B42     | Professional Staff Union/MTA/NEA (Units A52 and B42)   |
| Boston   | MTA/NEA Class        | B31/B32 | Trades/Main/Clerical  | \$322,718                               | \$784,581                               | \$1,241,186                             | \$2,348,486   | 1599-4405                          | B31<br>B32     | Classified Staff Union/MTA/NEA (Units B31 and B32)   |
| Boston   | IBT 25               | B33     | Police                | \$32,474                                | \$67,510                                | \$102,125                               | \$202,109   | 1599-4407                          |                | International Brotherhood of Teamsters, Local 25 (Unit B33)                                  |
| Boston   | Police Sergeants     | B3S     | Police                | \$14,056                                | \$28,775                                | \$43,315                                | \$86,146  | 1599-4407                          |                | Police Sergeants (Unit B3S)  |
| Boston   | MTA/NEA MSP          | B40     | Faculty               |   |   |   |   |                                    | see<br>A50     | Boston B40 MSP included in Amherst A50 MSP total   |
| Boston   | MTA/NEA Prof         | B42     | Professional          |   |   |   |   |                                    | see<br>A52     | Boston B42 Prof included in Amherst A52 Prof total   |
| Dartmouth  | AFT                  | D80/D81 | Faculty, Libs & Techs | \$989,169                               | \$2,435,757                             | \$3,880,410                             | \$7,305,336   |                                    | D80<br>D81     | American Federation of Teachers, Local 1895, AFL-CIO, Faculty Federation (Units D80 and D81) |
| Dartmouth  | AFSCME 507           | D82     | Clerical/Technical    | \$176,460                               | \$431,803                               | \$684,244                               | \$1,292,506   | 1599-4409                          |                | American Federation of State, County and Municipal Employees, Local 507, AFL-CIO (Unit D82)  |
| Dartmouth  | MFT Maintenance      | D83     | Maintenance           | \$104,332                               | \$236,616                               | \$367,361                               | \$708,310   |                                    |                | Federation of Maintenance and Custodial Employees, MFT, AFT, AFL-CIO (Unit D83)              |
| Dartmouth  | IBPO 399             | D84     | Police                | \$45,604                                | \$101,245                               | \$156,234                               | \$303,083   | 1599-4410                          |                | International Brotherhood of Police Officers, Local 399 (Unit D84)                           |
| Dartmouth  | ESU 1895             | D85     | Professional          | \$333,479                               | \$821,167                               | \$1,308,203                             | \$2,462,849   | 1599-4411                          |                | American Federation of Teachers, Local 1895, AFL-CIO, Educational Services Unit (Unit D85)   |
| Lowell   | MTA/NEA MSP          | L90     | Faculty               | \$1,614,151                             | \$3,817,210                             | \$6,016,877                             | \$11,448,238  | 1599-4412                          |                | Massachusetts Society of Professors/Lowell/MTA/NEA (Unit L90)                                |
| Lowell   | MTA/NEA Class        | L92     | Clerical/Technical    | \$57,028                                | \$139,625                               | \$221,284                               | \$417,937   | 1599-4413                          |                | MTA/NEA Clerical/Technical Unit (Unit L92)   |
| Lowell   | MTA/NEA Maintenance  | L93     | Maintenance           | \$141,816                               | \$324,120                               | \$504,309                               | \$970,246   | 1599-4414                          |                | MTA/NEA Maintenance/Trades Unit (Unit L93)   |
| Lowell   | IBT 25               | L94     | Police                | \$56,151                                | \$131,147                               | \$205,280                               | \$392,578   | 1599-4415                          |                | International Brotherhood of Teamsters, Local 25 (Unit L94)                                  |
| Lowell   | SEIU 888 Prof        | L95     | Professional          | \$762,847                               | \$1,878,454                             | \$2,992,570                             | \$5,633,871   | 1599-4416                          |                | Service Employees International Union, Local 888 (Unit L95)                                  |
|  |                      |         |                       | <b>\$13,101,699</b>                     | <b>\$31,913,665</b>                     | <b>\$50,666,912</b>                     | <b>\$95,682,277</b>                                   |                                    |                |  |