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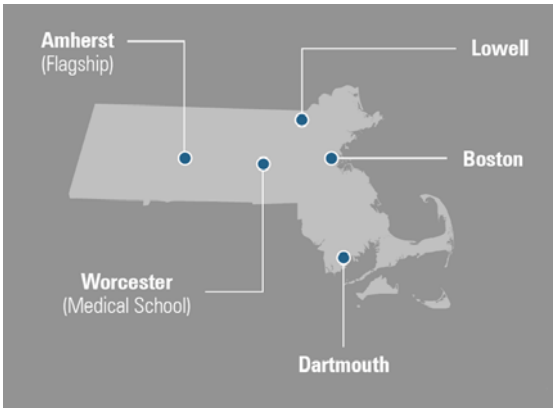
UNIVERSITY OF MASSACHUSETTS
FISCAL YEAR 2008 STATE BUDGET REQUEST

The University of Massachusetts requests a total maintenance appropriation of **$486,605,436 for fiscal year 2008.** This amount represents a $30.7 million (or 6.7%) increase over the final FY2007 appropriation (not including the Governor's 9C cuts of November 10, 2006). This amount would fill one-seventh of the state funding "gap" as generated by the University's budget request funding formula as well as cover the annualization of FY2007 collective bargaining costs not funded by supplemental appropriations.[1] The requested increase of $30.7 million does not, however, include funds for any FY2008 collective bargaining agreements that are settled during the months leading up to the beginning of the new contract period (July 1, 2007 to June 30, 2009).

The fundamental mission of the University is to provide, within available resources, the highest possible quality of instruction, research and public service to the widest possible segment of the citizens of the Commonwealth. The University is committed to providing, without discrimination, diverse program offerings to meet the needs of the whole of the state's population. The University's five campuses and UMassOnline are geographically dispersed throughout Massachusetts and possess unique and complementary missions. The University plays a positive role in the economic development of the Commonwealth, contributing over $4 billion in economic activity. Our research enterprise alone brings to the Commonwealth over $375 million in external funds.[2]

The level of state support is the key factor influencing the University's overall financial condition. The University has been able to make great strides in recent years recovering from the significant budget cuts of 2001 to 2004. Growth in state support prior to the 9C actions of November 2006 supported the University's overall programmatic success and financial performance in many areas:

- Applications and enrollments, SAT scores and high school G.P.A.s of entering students continue to improve.
- The University raised over $73 million from private sources in FY2006 and has an endowment of nearly $251 million. The number of endowed professorships has grown ten-fold since the inception of the state funded Endowment Incentive Program.
- Externally funded research grants and contracts amount to over $375 million.
- Revenues from licensing and patents of university research generated $27.2 million in 2006 up from $300,000 ten years ago.
- Investments in capital and technological infrastructure increase each year to support a rolling five year capital plan that exceeds $2 billion.



Like other public universities across the country, the University of Massachusetts endured declines in its state appropriation prior to fiscal year 2004. As a result of the fiscal difficulties facing the Commonwealth, the University's allocation of general state appropriations decreased by almost $128 million or 26 percent between

[1] Appendix A describes the University's budget request funding formula in greater detail.

[2] UMass: A Strategic Investment: A Critical Asset for the Commonwealth's Economic Future

fiscal years 2001 and the beginning of 2004.[3] The University Board of Trustees consequently ended a six-year freeze on student charge increases. Cost-cutting measures were implemented across the University, including program eliminations and employee reductions through lay offs, attrition and full implementation of early retirement programs.[4] For the past three academic years, as state appropriations have recovered, annual student charges have increased only at rates below inflation. It is the goal of the President to maintain such an approach going forward.

Beginning in late fiscal year 2004, state appropriations to the University increased after the three years of cuts. Increased appropriations in fiscal years 2004, 2005 and 2006 funded previously unfunded collective bargaining agreements, new collective bargaining agreements and provided increased dollars in support of the general operations of the University. In June of 2006, two bills were signed into law that included a number of important provisions for the University. Chapter 122 of the Acts of 2006 was a supplemental appropriations bill and Chapter 123 of the Acts of 2006 is a bill to stimulate the state's economy and create jobs across the Commonwealth. In total the two laws provide more than $80 million in new direct funding for capital improvements and operations and an additional $44 million in new capital authorizations for critical University facilities. The supplemental appropriations act also continued funding of the endowment incentive program at $7 million for the University.

The University will begin negotiations with its collective bargaining units for the FY2008 to FY2010 contract period. Funding requests will be filed with the Legislature during FY2008 for consideration and action. The funding of these contracts will be necessary in addition to the funds requested to close the funding formula gap. The FY2008 state budget request only includes funds necessary to support the annualization of increases required to go into effect on January 1, 2007. These costs have not been covered by previous supplemental appropriations bills.

The level of state support requested for FY2008 is vital to the overall success of the University and will allow the University's five campuses to continue to provide a high quality, accessible education, cutting edge research, and valuable public service and economic development programs to the citizens of the Commonwealth. Appendix B describes in greater detail campus and system strategic mission-related goals for FY2008. Also attached is the report, "UMass: A Strategic Investment: A Critical Asset for the Commonwealth's Economic Future," which details the University's direct and indirect impacts on the state's economic, social and cultural vitality.

In addition to the maintenance appropriation request, the University is requesting support for the very successful endowment incentive program and support for the University line items listed below.

UNIVERSITY LINE ITEMS

The University is requesting continuation of separate line item appropriations for the Commonwealth Honors College, the Star Store and Advanced Technology and Manufacturing Center programs, the Toxics Use Reduction Institute, Massachusetts Office of Dispute Resolution and the University Endowed Professorship Incentive Program. These programs have all received state support in recent years through separate line item appropriations.

1. Commonwealth Honors College Amount: $3.4 million

Between FY1999 and 2005, the state funded a separate line item appropriation of $1.75 million to support the development of the Commonwealth Honors College at Amherst. In FY2006 and FY2007, the state doubled its support for this successful program. The University is requesting level funding at $3.43 million in FY2008 to this state special appropriation to meet growing enrollment demands and to increase support for the activities

[3] When adding in reductions to other important state appropriations to the University between FY2001 and FY2004, the total impact to the University peaked at over $146.7 million or -29%. This total included FY01 to FY04 reductions to the University's maintenance appropriation of -$127.85M; Library allocation -$8.87M; and the elimination of the $10M UMASS endowment incentive program.

[4] It is projected that for FY2007, there will be 510 fewer FTE state funded employees at the University than there were in FY2002 (not including the Medical School).

conducted by Commonwealth College on behalf of the statewide network of honors programs. Commonwealth College enrollment currently averages 3,000 students.

2. New Bedford College of Visual & Performing Arts (Star Store) facility Amount:$3.7 million

In 2001, the College of Visual and Performing Arts at UMass Dartmouth opened its Star Store campus in downtown New Bedford, Massachusetts. The redevelopment of the facility has been credited by local officials with sparking the renovation of numerous nearby buildings and breathing economic and cultural life into the neighborhood. The facility brings dozens of faculty artists and hundreds of students to downtown New Bedford every week.

This state-of-the-art facility is home to hundreds of artists working in a variety of disciplines and has developed strategic partnerships with New Bedford arts organizations such as the Zeiterion Theater. The Star Store is also home to a number of impressive exhibition spaces--most notably the University Art Gallery, 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.

Today, the Star Store continues to be a vital component of downtown New Bedford's emergence as a cultural and academic hub. In 2004, the Star Store was joined in downtown by the UMass Dartmouth Center for Professional and Continuing Education.

3. Fall River Advanced Technology & Manufacturing Center Amount: $1.9 million

The Advanced Technology and Manufacturing Center (ATMC) provides infrastructure for early-stage and transition companies as they grow and mature. Today, the ATMC is the site of 10 start-up companies and a satellite manufacturing center for Avant Immunotherapies, one the commonwealth's fast-emerging bio-tech companies. The ATMC was also a major selling point in the city's successful bid to attract a 600-job medical software company to neighboring property.

The primary objective of the Center is to provide an environment where technology companies will develop into employers located in Southeastern Massachusetts. By attracting these companies to the Technology Venture Center UMass Dartmouth 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 also has established commercial alliances with accounting, legal, human resources and funding organizations.

The Technology Venture Center also provides a great networking environment for the southeastern Massachusetts business community. The ATMC's Conference Center frequently hosts technology conferences, venture forums and symposiums that attract local and national industry leaders, entrepreneurs and others who invest in and work with growing companies.

4. Toxics Use Reduction Institute (TURI) Amount: $1.6 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 State of Massachusetts and has received a separate line-item appropriation for a number of years. The University is requesting an increase in funding for FY2008 to this special state appropriation (to $1,644,000). The increase will fund collective bargaining agreements and activities required by Massachusetts law, Chapter 188 of the Acts of 2006, "An Act Amending the Toxics Use Reduction Act." These activities include research and data collection on chemicals to be prioritized or delisted, and for development and training of toxics use reduction planners in management systems and alternative resource conservation, all as required by the new law.

5. University Endowment Incentive Program Amount: $10.0 million

In FY2001, a $10 million incentive fund was created to assist the University in raising private funds for endowed professorships in critical academic disciplines. The University exhausted the initial $10 million which generated $23.5 million in University endowment funds when matched with private funds. These funds provide salary, administrative and other support for the professors in perpetuity. The endowed professors program allows the University to retain and attract nationally recognized scholars in fields that are critical to the quality of life in Massachusetts. The University has made the establishment of endowed professorships a top priority and the match program has been instrumental in creating 35 professorships system-wide as well as numerous scholarships for students.

The program was last funded in a FY2006 supplemental appropriations act. That program allocated $7,000,000 to fund an endowment match program for UMASS and the statute was amended to create an endowment match program that would provide up to $50 million to UMASS in matching funds. Every $2 raised by the institution would be matched with $1 in state funds. The program would expire in 2010 or when the University exhausts the $50M whichever comes first. The $10 million request for FY2008 would keep the University on track to reaching the $50 million goal.

6. Massachusetts Office of Dispute Resolution (MODR) Amount: $166,440

The Massachusetts Office of Dispute Resolution (MODR) has completed its transition from an agency within the Executive Office for Administration and Finance to a free-standing institute at the University of Massachusetts Boston (new enabling statute M.G.L. c.75, s.46). MODR is in year two of its five-year business plan with an economic development mission to open new markets for the use of conflict resolution and the goal of becoming a self-sustaining entity. MODR has launched a research program in partnership with a state-wide network of dispute resolution practitioners and academic collaborators in order to increase its revenue from fees-for-services, federal grants and private foundations. As MODR works to diversify its funding, the University requests a continuation of MODR's separate line-item (7100-0700) in FY2008, at the same level as FY2007 ($166,440). The Commonwealth's investment in MODR leverages a commitment of two-three times as much outside funding for projects and services in the public interest.

University of Massachusetts
Funding Formula Analysis & FY2008 State Budget Request

2006-2007 Funding Formula Analysis

I. TOTAL FORMULA FUNDING NEED	**$1,269,926,067**
II. CURRENT NON-STATE REVENUES	
Tuition & Fees Revenue	$406,451,000
Other Non-Operating revenues (unrestricted)	$97,100,811
TOTAL CURRENT NON-STATE REVENUES	**$503,551,811**
III. NET STATE SUPPORT NEEDED (I-II)	**$766,374,256**
IV. CURRENT STATE SUPPORT (FY07 est.)	
State Maintenance Appropriation	$466,608,280
Fringe Benefits (FY2006 actuals)	$119,148,000
TOTAL CURRENT STATE SUPPORT	**$585,756,280**
V. ADDITIONAL FUNDING NEEDED -- "The Gap" (III.-IV.)	**$180,617,976**
(less Strategic Priority Funding)	

Requested State Budget Appropriation Increase to Close the Gap in 7 years	**$25,802,568**	**5.7%**

FY2008 State Budget Request

FY2007 Base State Appropriation*	**$455,869,584**	
annualization of 1/1/2007 Collective Bargaining Increases	**$4,933,284**	
Gap Funding	**$25,802,568**	
Requested Increase	**$30,735,852**	**6.7%**
Total Requested FY2008 Mainenance Appropriation	**$486,605,436**	

Appendix A:
Fiscal Year 2008 Budget Request Funding Formula Summary

Formula budgeting for the University of Massachusetts takes a bottom up approach to determine the total cost of core activities funded by the state and and other unrestricted revenues sources, primarily students: instruction, research, public service, etc. Its aim is to determine how much it costs to do these things well.

The formula was initially developed in the early 1990's during the time when the University was coming together as a five campus system after the 1991 reorganization. The formula was used to inform the University's annual state budget request and the allocation of state appropriations decisions from FY1994 through FY2002. Reductions in state support for the University and continuing economic instability necessitated a different approach for the FY2003 and FY2004 state budget requests. For those two annual budget requests, the University sought level funding and appropriations to support collective bargaining contracts from the Commonwealth only. The University ran the funding formula with updated data for the preparation of the FY2005, FY2006 and FY2007 state budget requests and has run the formula again to inform the FY2008 state budget request. The total funding formula determined need to deliver core University programming is $1,269.9 billion.[5]

Each component of the formula was initially built based on a review of practices, national norms, the experience of comparable institutions, as well as a review of formulas in place in other states during the early 1990's. Development of the funding formula is an evolving process. The assumptions and norms used have been updated and some factors have been adjusted incrementally over time. It is expected that further refinements will be incorporated, providing even better information about what we do, what the costs are, and how they compare with costs at other institutions and nationwide. Despite this ongoing assessment, however, formula budgeting should help provide a measure of stability and regularity to the University and state budget processes over time.

The formula looks at activities funded from unrestricted sources of revenue (primarily state and student revenue) that are available to support core activities. The state share includes the state maintenance appropriation and fringe benefit support. Other unrestricted revenues include: student revenues from mandatory fees and credit for tuition waivers, research overhead funds, investment income, and other sources of unrestricted revenues. Other sources of funds are excluded from the formula including revenues from restricted sources such as grants and contracts and auxiliary operations.

Student/faculty ratios are the key drivers of the formula. The instruction component begins by calculating the number of instructional lines needed to carry out the basic mission of the institution at each level of instruction:

Lower division undergraduate	22.5 to 1
Upper division undergraduate	15.0 to 1
Masters	7.5 to 1
Ph.D.	4.5 to 1

The ratios for each level of instruction are applied to actual enrollments to yield the total number of instructional lines needed. Most of the other cost components are driven from the instructional component.

Medical School funding is based on a similar formula. Costs of instruction and research per medical student are based on average comparable costs at other public medical schools nationwide. Other formula costs are calculated using the same methods as in the main formula.

[5] Not including funding for the strategic priority component of the formula which, when added, increases the formula need to $1.327 billion.

Fiscal Year 2008 Budget Request Funding Formula Detail

Overview

The formula is made up of ten key components, the core of which is a set of standard activities defined by the federal government and used by all institutions of higher education in financial reporting. Several other components have been included that relate more particularly to features of higher education funding in Massachusetts, or to the structure of the University itself such as a separate formula calculation for the Medical School. The data used to prepare the formula request represent a combination of actual experience over the last three years, and comparative experience nationwide and at comparable public universities.

General Notes

Hold Harmless
The funding formula is used to inform the state budget request and campus allocation processes. It is the policy of the University to hold campuses harmless in that current level of state support will not be reduced based on formula results. However, the distribution of state appropriated dollars above the previous year's base may be distributed by the Board of Trustees and President of the University to the campuses based the results of the funding formula.

Fringe Benefits
Fringe benefits are counted both as a revenue and expenditure wherever appropriate. The overall fringe rate used is 33.8%, which includes the Massachusetts rate of 31.7% plus additional costs not covered in that rate.

Component Detail

Instruction
The instruction component represents a major portion of the formula, reflecting as it does one of the highest priorities of the University. It includes costs of all instructional activities and programs. Instructional costs have been built into the formula in four major areas:

Faculty Resources
The instruction component begins by calculating the number of instructional lines needed to carry out the basic mission of the institution at each level of instruction (lower division and upper division undergraduate; masters and doctoral). Initial guidelines for differentiating the number of faculty needed at each of these levels was based on the advice of the National Center for Higher Education Management Systems (NCHEMS), when the formula was originally developed in the 1990's. These guidelines were based on a broad understanding of standard practice at universities nationwide.

The ratios for each level of instruction were applied to the annual student credit hour enrollments to yield the total number of instructional lines needed.

Lower division undergraduate	22.5 to 1
Upper division undergraduate	15.0 to 1
Masters	7.5 to 1
Ph.D.	4.5 to 1

The dollar need for faculty resources was determined by multiplying the number of faculty lines needed by the average faculty salary. An additional 33.8% was added to this amount for fringe benefit costs. This represents the current state rate for fringe benefits – 31.68% - plus 2.12% for estimated costs of additional fringe benefits not covered by the state, such as workers compensation and unemployment insurance contributions.

Teaching Assistants
In addition to full and part-time faculty, a significant role in any research university is played by teaching assistants (TA's). The formula determines needs for teaching assistants by maintaining the current ratio of TA's to faculty, even though graduate activity is increasing university-wide. TA's currently make up approximately 11% of total instructional lines at the University, therefore 11% of the need for instructional lines

as determined by the formula was assumed to be covered by TA's. Costs for TA's were calculated by taking the full-time equivalent value of an average TA stipend and multiplying that amount by the total FTE TA lines needed. The total cost of supporting TA's includes tuition and fee waivers as well as stipends; therefore the average cost of providing waivers was also added to the total TA cost.

Support Staff
In addition to looking at an adequate level of instructional positions for the number of students we serve, the formula looks at an average ratio of support staff to instructional personnel. The support staff ratio is calculated at 27% of the total FTE instructional personnel needed. This percent is based on an estimate used in previous formula assessments at the University. The number of FTE support staff determined in the formula is multiplied by the average University support staff salary. An additional 33.68% of salary cost was added to cover fringe benefit costs.

Equipment/Supplies/Other Support Costs
The final area of funding for instruction is the calculation of other instruction related costs: equipment, supplies, and other support costs (these include cost of student workers and other non-benefited employees who are not counted elsewhere). The rate per FTE instructional line was calculated based on FY 2006 expenditures.

Research
Research is a unique University mission, in terms of the scope and breadth of activity. A senior level university's research programs advance knowledge, understanding, and quality of life, thereby addressing a wide variety of social and economic needs. Funding from this component will serve to support current and future research activity including supplies, equipment, lab technicians, computer programmers, grant development personnel, administrative costs and other related costs that involve research. The research component is comprised of two factors: one that provides support to campuses already strong in generating externally sponsored research dollars, and one that supports non-sponsored research along with the development of new research activities.

The first factor provides a modest match of sponsored funds at the rate of $.15 for each sponsored dollar brought into the University (15% of total grant and contract revenues less indirect costs recovery funds). The second factor is calculated by taking 3% of the dollars generated in the instruction component of the formula and is aimed at providing support of non-sponsored departmental research as well as developmental funds for future research. Both of these were standard methods used for calculating support of research activities in formulas in place elsewhere in the country at the time when the formula was initially developed.

Public Service
Public service is another key area of activity for the University. It includes use of University expertise and personnel to provide service to the State and the communities and regions immediately surrounding our campuses, and is part of the historical tradition of Public Land Grant Universities. Support for public service is calculated in the formula by taking 3% of the total generated in the instruction component of the formula.

Academic Support/Student Services
Academic support and student services have been combined into a single component. This includes support of libraries, computer labs, and student services key to successful retention and graduation of students. The combined rate per headcount student was determined by looking at equivalent average expenditures for groups of comparable peer institutions.

Plant Operations and Maintenance
Plant operation and maintenance is an area of particular concern because of the need to improve and maintain our assets. The calculation of costs for the plant component has several factors: utility costs, costs of maintaining buildings and grounds, and renewal and adaptation of plant. None of the calculations for the plant component includes the cost of maintaining properties used to run auxiliary operations such as dormitories, dining halls, or bookstores. It is assumed that the revenues from these operations cover maintenance costs. Also not included in the formula, but clearly a growing cost for the University, is the cost of debt service that supports the University's non-auxiliary capital program. In FY2006 the University expended approximately $72 million on debt service payments for improvements to core academic and research facilities and the infrastructure needed to support those activities.

Utility costs are calculated by taking a three-year average of actual expenditures. The purpose of averaging is to avoid large swings in expenses reflective of climatic differences from one year to the next. Costs of maintaining

buildings and grounds were determined using industry standards that approximate salary and supply costs needed per gross square foot for buildings ($4.25 per GSF) and per acre ($6,818 per acre) for grounds maintenance.

The final factor in the plant component is renewal and adaptation. A continuous program of repair, rehabilitation and adaptation of our existing physical assets is critical to the overall success of the University. Determining an appropriate annual cost factor for adaptation and renewal is based on calculating 10% of the total replacement value of the physical plant estimated at $136.38 per square foot. This calculation is used by the Board of Higher Education in its funding formula and is based on an industry standard.

Financial Aid
The Scholarships and Fellowships component is calculated by taking 20% of total billed tuition plus mandatory fee revenues. This is comparable to methods used in formulas in place elsewhere. The percentage used is also an estimate of costs of providing financial aid to current students and is, we believe, a reasonable calculation of funding needs relative to the state's access mission for public higher education. This calculation does not include the cost of providing mandatory tuition waivers.

Institutional Support
Institutional support includes the overhead/management costs of operating the University. This component is calculated by taking 6% of the total of all other components (not including strategic priority funds). This method is also used in other formulas elsewhere in the country, and is considered a reasonable means of calculating the cost of providing all other services and programs that make up the balance of the formula.

Medical School Funding
The University of Massachusetts Medical School has produced a parallel formula to that for the rest of the University, which incorporates national information on expenditure levels for instruction and research at public medical schools. Data are gathered from other public medical schools in the United States and are reflective of the average instructional costs per medical student at those schools. The remainder of the Medical Center formula mirrors the methods used in calculating costs for the rest of the University.

Strategic Priority Funding
This component is also a feature of the university's funding request. It provides for the dedication of a portion of the budget to mission-related priorities. These are areas in which the University feels it is critical to focus energy and resources in order to strengthen existing programs and develop new ones in areas of key University and statewide priorities. Strategic priority funds would be used to support programs in the areas of economic development, environmentally sound production methods, increased student access and retention, and increased involvement with K-12 public education. The component is calculated by taking 4.5% of the formula's bottom line. Information provided by NCHEMS when the formula was first developed indicated that this percent can vary from 3% to 10% of the total budget, with a reasonable starting point in the range of 4% - 5%.

Obviously, given the current fiscal environment and the immediate need to support the continued funding of our collective bargaining agreements, strategic priority funding may need to be considered on a go-forward basis rather than incorporating this component into the FY2008 request.

The following table summarizes the results of the running the funding formula. Attachment 1 provides a more detailed analysis of the components of the formula. The total need determined by the formula is $1.269.9 billion. This represents a level of support that should be available to deliver the core teaching, research and service mission. Current levels of state and non-state revenue support meet all but $180.6 million when removing the strategic priority funding component. This number represents the “gap” that the University seeks to fill in part with its FY2008 state budget request.

2006-2007 Funding Formula Analysis	
I. TOTAL FORMULA FUNDING NEED	**$1,269,926,067**
II. CURRENT NON-STATE REVENUES	
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Other Non-Operating revenues (unrestricted)	$97,100,811
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State Maintenance Appropriation	$466,608,280
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TOTAL CURRENT STATE SUPPORT	**$585,756,280**
V. ADDITIONAL FUNDING NEEDED -- "The Gap" (III.-IV.)	**$180,617,976**
(less Strategic Priority Funding)	

ATTACHMENT I
UNIVERSITY OF MASSACHUSETTS
BUDGET REQUEST FORMULA: COMPONENT ANALYSIS OF TOTAL FORMULA NEED
(INCLUDING MEDICAL SCHOOL)

Formula Component	Total Need	% of Total	Method of Calculation
INSTRUCTION Includes salaries and fringe benefits for faculty and instructional support staff, and costs for teaching assistants. Also includes funds for instructional equipment, supplies, and other support costs.	**$549.7**	**43.3%**	• FTE students/staffing ratios=FTE instructional lines (faculty and TA's) • FTE faculty X average salary = faculty salary costs • FTE faculty x fringe rate ('06) = faculty fringe costs • FTE TA lines x average stipend = TA stipend costs • FTE TA lines x average waiver = TA waiver costs • Instructional lines x support staff ratio = FTE support staff • FTE support staff x average salary = support staff salary costs • FTE support staff x fringe rate ('06) = support fringe costs • Instructional lines x average actual cost per instructional line = equipment/supplies/support costs
PLANT OPERATION AND MAINTENANCE Includes expenditures for building and grounds maintenance and utilities as well as funds for renewal and adaptation of plant.	**$303.8**	**23.9%**	• Utilities: actual costs (3-year average) • Building Maintenance: $4.25 per GSF • Grounds Maintenance:$6,818 per acre • Adaptation & Renewal Costs: 10% of estimated replacement cost
ACADEMIC SUPPORT/STUDENT SERVICES Includes support for libraries, computer centers, AV services, as well as expenditures for admissions, registrar, student counseling, etc.	**$182.4**	**14.4%**	• $ 1,704 to $3,057 per HC student (CAMPUS peer averages)
FINANCIAL AID Includes support of financial aid programs except mandatory tuition waivers.	**$76.3**	**6.0%**	• 20% of sum of total fiscal year billed tuition and mandatory fee revenues
INSTITUTIONAL SUPPORT fiscal operations, data processing, personnel, legal counsel, etc.	**$71.9**	**5.7%**	• 6% of all other component costs (Instruction, Research, Public Services PO&M, etc.)
RESEARCH Provides matching support of current sponsored research activity plus support of non-sponsored departmental research and start-up costs for new research.	**$69.3**	**5.5%**	• 15% of sponsored research dollars (3-year average) 3% of Instruction
PUBLIC SERVICE Supports non-instructional services to groups and individuals outside the University.	**$16.5**	**1.3%**	• 3% of Instruction
TOTAL FORMULA NEED	**$1,269.9**	**100%**	

TOTAL CURRENT NON-STATE REVENUES	-	**$503.6**
NET STATE SUPPORT NEEDED		**$766.4**
CURRENT STATE SUPPORT	-	**$585.8**
ADDITIONAL FUNDING NEEDED -- "The Gap"		**$180.6**

Appendix B:
FY2008 University Mission & Strategic Related Goals Update

University of Massachusetts – Mission & Strategic Related Goals

The 5-campus University of Massachusetts system was created in 1991 following the release of a report entitled, "Learning to Lead: Building a World Class Public University in Massachusetts.'' The essence of the report, crafted by a distinguished panel of experts led by former University of California President David Saxon, was that the effectiveness of a cohesive five-campus University system would be greater than the sum of its parts.

The University's constant efforts at inter-campus collaboration, combined with a new focus on raising non-state revenue, has protected the academic quality of the campuses when they had to cope with $128 million cuts in base state support for the University.

In 2006, the University increased annual private support, licensing of UMass research and external research funding. Meanwhile, the academic profile of our incoming freshmen continued its steady improvements.

The continued ascendance of UMass, however, will require stable state support. To sustain quality, UMass must be equipped to compete for non-state funds that create the University's margin of excellence. Stable state support is necessary to keep UMass competitive.

Private donors – individuals, corporations, and foundations – give to quality rather than need. They are unlikely to continue making substantial contributions if they come to believe they are only filling gaps created by state budget cuts. Research licensing funds – generated by moving UMass science into the marketplace – arise from the quality of the faculty and facilities on our campuses. Likewise, increases in external research funding (federal, corporate, etc.) are a direct result of the quality of the faculty and facilities on our campuses. In all three cases, stable public support is necessary if UMass is to make a strong case for non-state investment.

Also, the University's ability to attract and provide access for the academically talented sons and daughters of Massachusetts is based on the quality of the faculty, staff and facilities on each campus, and our ability to keep student charges competitive with out northeast peers. Stable state support will be critical to sustaining quality and access in the future.

The University has set some ambitious goals for the coming years to support the core teaching, research and public service missions, including:

- Expand external research funding from approximately $300M to $600M
- Raise the endowment of the University.
- Enhance and improve the student experience by investing in programs of distinction at all of our campuses.

The following sections are excerpted from campus updates to their strategic and mission related goals reports for FY2007.

University of Massachusetts – Amherst

The strategic goals of the Amherst campus are to add faculty to enhance the core teaching and research mission, to renovate and renew campus space, and to provide services to support student retention and student success.

Restoring faculty strength on the Amherst campus, after more than a decade of decline, is the crucial investment necessary for maintaining this flagship institution as a nationally competitive public research university. This goal was articulated in the Amherst 250 Plan and embraced by the legislature who have provided funding over the last two years to add 75 new faculty positions. The first wave of faculty hires – some of whom began this year -- will go primarily to readjust the teaching capacity of colleges and departments significantly understaffed for the number of students enrolled in courses in those units. In addition, some new faculty will be located in units where commitments to secure federal research funding required an additional investment. Subsequent funding from the state legislature under the 250 plan will continue the process of readjusting faculty strength to match student demand and in addition to expand the capacity of units demonstrating strong research or creative performance over the previous four years and showing a clear plan for continued success in competing with the best in the nation. Future allocations will flow to colleges and schools whose research (and creative activity) and teaching performance at undergraduate and graduate levels compare favorably with other top American research institutions as measured against national peer reviews for teaching and research or who have distinguished themselves through their creative activity. The campus will reward measurable performance, leveraging state dollars in the most efficient manner to improve the quality of instruction and the scope of the research enterprise. A continued effort to translate research success into economic development for the region and the Commonwealth and a continued emphasis on access and affordability will accompany the focus on teaching and research.

The restoration of faculty numbers must be accompanied by the renovation and renewal of campus space. Across campus construction has started on new buildings to support the sciences and studio arts and historic Skinner Hall is being renovated for the Nursing program. These projects are part of a $600 million capital investment over the next five years which also includes construction of a new auditorium, a new central heating plant, and a new student recreation center. Much of this capital spending is dedicated to addressing deferred maintenance and ensuring that there is adequate space for existing and incoming faculty. Even after this sizeable investment, the deferred maintenance backlog will still far exceed the deficiencies faced by peer institutions.

The focus on faculty and physical plant renewal supports the success of the campus in teaching and research. In addition, an increased investment in and reorganization of Student Affairs and the academic programs of the institution will implement a new integrated approach to supporting student success. Students succeed when services and activities that promote academic achievement operate in collaboration and with considerable integration with those programs that promote student extracurricular and social development through student services. The measure of success in this coordination and integration is improved student retention and eventual graduation. The most important time for this work is during the first year of a student's academic career on campus. The Amherst campus plan includes significant changes in the organization and coordination of Academic and Student Affairs programs that begins with this year's incoming students and continues. These efforts will give our students enhanced advising to ensure that they have the right combination of support to ensure their academic and personal success. In addition, by focusing on access and affordability, the Admission office will continue to make significant improvement in the recruitment of high quality students to ensure a diverse and academically capable student body that represents the college going population of Massachusetts.

The increase in state support the last two years, while still not fully recouping the loss of state appropriation incurred earlier this decade, is enabling the campus to begin implementing the Amherst 250 plan. From its own growing revenue base, the campus will address critical infrastructure needs through the implementation of the capital plan. The Campus needs to do much more, however. The anticipated continued strong state support, increased private investment through fundraising, and a growing portfolio of research support and extended off-campus and continuing education programs will leverage the state's and the student's investment in UMass Amherst. These investments from all sources will allow the Campus to continue the growth and progress required to sustain a nationally competitive public higher education opportunity for our students and the Commonwealth.

University of Massachusetts Boston

STRATEGIC PLANNING

The Strategic Initiatives for FY2008 and the years beyond are the subject of a Strategic Planning Initiative, known as ***UMass Boston Renewal: Fidelity to Urban Mission,*** which was announced by Chancellor Michael F. Collins in his convocation speech given September 14, 2006. A broadly constituted Chancellor's Strategic Planning Task Force has been formed to direct the process that will shape the future of the campus. The work of the Task Force is expected to be completed by June 30, 2007.

Until the work of the Chancellor's Strategic Planning Task Force and its six subcommittees is complete, the initiatives and goals discussed herein are in accordance with the Trustee priorities and the ***2008 Strategic Plan: Retention, Research and Reputation.***

RETENTION, RECRUITMENT and ENROLLMENT

For the fall 2006 semester, UMass Boston enrolled its largest full-time equivalent (FTE) enrollment in five years; the 8,855 FTE students represent a 4 percent increase over fall of 2005, and the largest group since fall 2001. We experienced a 16% increase in freshman applications and a 21% increase in acceptances that yielded a freshman class of just under 1,000 students, the largest since 1987. We also yielded the largest group of new transfer students since 2001 at 1,503.

The campus attributes the growth in enrollment to a number of factors, including strengthened recruiting and enrollment marketing strategies, expanded outreach to new markets, enhanced admissions programming, increased local housing assistance and improvements to orientation and new student programs. The opening of the Campus Center, as well as the delivery of integrated student services from the One Stop operation in the Campus Center and the work of our Student Affairs and Enrollment Management Departments to connect students to and engage them in the life of the campus are all contributing to improved retention.

The offices of Academic Support, Enrollment Management, and Student Life, in collaboration with the colleges, Information Technology and other student service departments are delivering improvements to advising, registration, academic and self-service technology, service-learning, career services, study abroad, international student services, student activities and athletics, all of which are contributing to a more stable enrollment and student success.

Over the last four years, the campus' contribution to need-based financial aid has grown by 170 percent, from $1.4 million to $3.9 million. In addition to the increase in financial aid, budgetary support for Academic Services, Enrollment Management and Student Life has grown by more than $1.6 million, or 24 percent, since FY2003.

Increase Access and Affordability/Financial Aid

UMass Boston is committed to providing sufficient financial aid to ensure access for quality students with need. While we continue to increase annual allocations for financial aid and have set a goal of meeting 90% of the need of our students, too many still rely on substantial loans to fund their education. In FY2006, UMass Boston students received a total of $57.1 million of aid from all sources, including $35 million (61%) from loans. In FY2008 and beyond we will continue to increase our campus financial aid allocation, both to reach our goal of meeting 90-100% of student need and to decrease student borrowing. Financial Aid is a key ingredient in recruitment and retention.

RESEARCH

Goals

Recognizing that faculty research, scholarship, and creative activity are the distinguishing characteristics of a great university, and a vital part of UMass Boston's contribution to the city and to the commonwealth, we are committed to expanding our investment in Research and Sponsored Programs.

University of Massachusetts Boston (continued)

Given that we are in the Commonwealth's capital city, we should be able to make a greater contribution to research in the liberal arts, sciences, policy issues, education, and technical innovations. We must do more to create knowledge and to contribute to the wonders of inquiry. We must continue our more recent investment in support of graduate assistantships and doctoral and post-doctoral candidates. These efforts will require a greater commitment by the faculty in the pursuit of research funding, and will require a greater investment by the university in facilities, like our laboratories and the library, where research is conducted.

Our research funds reached $39 million in FY2006, and we recently received a $5 million state grant for the creation and design of a Venture Development Center to assist those who conduct or want to conduct research at the university. The grant has brought us ever closer to our $50 million goal in FY2008.

In FY2008, we will reach our goal, and in the years ahead surpass it as we strengthen incentives and support for grant development, and encourage more aggressive pursuit for the growth of all sponsored activities. We will pursue significant extramural support from federal agencies for both pure and applied interdisciplinary research programs in our signature profile areas, namely public policy, environmental science and health disparities research. At the same time, we will not neglect projects that strengthen the urban mission and economic development focus of our university.

Infrastructure/The Venture Development Center

President Wilson has said that the path to economic development in Massachusetts goes through the research expertise of the UMass campuses. UMass Boston's focus on economic development will entail the launch of a Venture Development Center (VDC) initiative (already underway) that will not only strengthen the university's research infrastructure, but also engage faculty and students in innovative partnerships with the business community in Grater Boston and the New England region. The VDC will leverage core research facilities and business development expertise to assist faculty in all disciplines that wish to turn a promising research concept into a practical business reality through a nurturing incubation process. We anticipate that the efforts of the VDC will result in value to the university, in terms of enhanced reputation and a return on investment through commercialization, entrepreneurship and licensing of intellectual property.

In addition to the development of the VDC, we will invest funds in renovating laboratories and provide our research scientists with state-of-the-art equipment with which to do their work.

Compliance

In order to ensure compliance with the laws, rules, regulations and policies of numerous federal and state agencies with oversight of the research enterprise, we continue to devote resources to strengthen our research administration processes, both pre- and post-award. With regard to financial management of grants and sponsored projects, we continue to work with our sister campuses to implement the PeopleSoft suite of grant management modules.

REPUTATION

Strengthen the Academic Infrastructure

- New faculty: UMass Boston continues to rebuild from the exodus of faculty caused by the early retirement of faculty in fiscal years 2003 and 2004. In fall 2006, we added 20 new full-time faculty and 36 new full-time faculty during the last two years, resulting in 9 percent increase. The influx of new full-time faculty allows UMB to continue to strengthen undergraduate and graduate teaching, and provides an opportunity to expand research activity.
- Increase use of Technology in the classroom: Over the last year we have transformed 50 traditional classrooms into "smart" classrooms, wired with the latest in audio-video technology.

Academic Outcomes

Another important charge of the Chancellor's Strategic Planning Task Force will be to assure that we have thoughtfully considered how to improve the assessment of our academic offerings. We must continually review our efforts to demonstrate that our students are receiving an education that meets the highest academic standards and is favorably comparable to peer group institutions.

University of Massachusetts Boston (continued)

Focus on Diversity
UMass Boston will continue and strengthen its efforts to hire and promote minorities and women. The campus will continue its strong recruitment efforts among cultural and racially diverse student populations. Additionally, the campus will increase its investment in a wide range of programs that support, celebrate and strengthen diversity in our student body, and within our campus culture. Once again, in the fall of 2006, we increased the diversity of our entering class: 50 percent are students of color.

Fostering a Welcoming Environment
The campus will increasingly embrace a culture that is rooted in and centered upon treating the students, our campus colleagues, and other constituents as we ourselves would wish to be treated. An increased focus on customer service and satisfaction, along with personal initiative, responsibility and civility will enhance the work environment and recruitment and retention efforts. In addition, the campus is preparing to make significant ADA-related enhancements to basic campus infrastructure such as restrooms, elevators, doors and signage which will make the campus more accessible and navigable.

CAPITAL INVESTMENT AND DEBT SERVICE

Capital Repairs and Deferred Maintenance
Reinvestment in our capital infrastructure will continue to be a major focus in FY08, as we strive to address deferred maintenance and improve the state of our facilities to ensure that we provide our students with a top quality learning environment. In support of our efforts we retained Gilbane Building Company (Gilbane) to conduct an assessment of the campus' facilities, including mechanical, electrical and plumbing systems. Gilbane's report has helped the campus devise a short- and intermediate-term repair and renewal strategy that prioritizes health, safety and business continuity concerns while long-term solutions are addressed through the master planning process described below.

The campus will avail itself of approximately $50 million of previously issued bond proceeds in order to carry out repairs and renovation projects in the short-term, and will access its debt capacity appropriately for additional capital financing when needed. The campus expects to make $13.5 million of principal and interest payments in FY2007 on debt issued to support capital projects, up from $1.9 million in FY2000.

Critical to the short-term success of the campus is the continued replacement of in-door parking – which effectively ended with the recent closure of the garage, which also serves as the campus' foundation. We will push on with the addition of temporary paved spaces on university-owned land to replace the indoor spaces taken off line. We will seek a permanent solution for parking that will involve the reclamation of the temporary newly-paved spaces.

Both the state legislature and university leadership understand how crucial it is for us to secure funding to shore up the foundation that is our campus substructure and to establish the temporary and permanent parking spaces we need now that the substructure can no longer function as a parking garage. To that end, approximately $30 million has been committed.

The University of Massachusetts Boston, recognizing that renovating existing 30+ year-old buildings into state-of-the-art classroom or research buildings may not be feasible, has begun the process of planning for a new academic facility.

Long-Term Master Plan

UMass Boston has begun a master planning process that will center on the physical development and reconstruction of the campus over the next 20-25 years. This effort coincides with the recently initiated strategic planning process, which will articulate the long-term academic and institutional goals of the university.

In conjunction with the Commonwealth's Division of Capital Asset Management and a planning/architectural firm hired to assist in this process, the Master Plan subcommittee of the Chancellor's Strategic Planning Task Force will work to develop a Master Plan that will aspire to reflect in the physical environment of the campus the priorities and goals of the Strategic Plan. More specifically, the Master Plan will provide a framework for campus development by identifying building sites, circulation patterns, and open spaces.

University of Massachusetts Boston (continued)

Equally important, it will address issues associated with academic space utilization and allocation, student life, and the university's physical connection with the community.

Through an open and inclusive process with the campus community, Columbia Point neighbors, and external constituencies, we will endeavor to create a future physical blueprint that supports and responds to the mission and priorities of UMass Boston and contributes to its growth and aspirations.

University of Massachusetts Dartmouth

- UMass Dartmouth is the fastest growing campus in the UMass system in terms of student population and research activity.

- Over the past five years, the campus has continued to grow despite the severe fiscal challenges of prior years and has strategically invested new state dollars in critical areas.

Pursuing strategic goals

The University of Massachusetts Dartmouth has developed strategic goals that focus on continued growth and development as a regional university.

Growth is focused on size and expansion of enrollment to 10,000 students by 2010; growth in targeted graduate programs responsive to regional and Commonwealth needs; expansion of key research strengths (marine science, advanced materials, advanced manufacturing, math education, Portuguese studies and policy analysis) and the pursuit of external contracts and industry partnerships.

Recent major investments have focused on re-building the faculty following several years of budget cuts and early retirement programs, modernizing nearly every classroom and lecture hall on campus; construction of a 20,000 square foot inter-disciplinary research facility (due to open spring 2007); construction of housing to serve 2,000 students; new and renovated student dining and recreational facilities; and an expanded health center.

The next major targets for investment are the library, laboratories, and additional classrooms.

The campus recently embarked on a $6 million private fundraising effort to renovate its library, and has already raised $3 million toward its goal. The plan calls for a transformation of the library from a quiet repository of books into a technology-rich environment that encourages the exchange of ideas among students, faculty and community members. This is the first major fundraising campaign for the campus and is being leveraged to expand a true culture of philanthropy.

Recruiting and retaining a first-rate faculty requires investment in laboratory space, and the university is committed to this effort. This will include an expansion of our Center for Marine Science and Technology in New Bedford in collaboration with the Massachusetts Division of Marine Fisheries, which is moving its offices to the site.

Meanwhile, with enrollment growth and continued high demand for a UMass Dartmouth education, the campus is seeking to add classroom space, likely beginning with an addition to the Charlton College of Business building.

Growth activities are also focused on the seamless integration of technology into instruction, enhancements to public safety, and strengthening our private fundraising effort.

Progress and transformation

- The campus remains well-positioned organizationally and financially to respond to the needs and aspiration of the region and the Commonwealth.

Revenues derived from research have more than doubled in the past 7 years. The Center for Marine Science and Technology is a recognized leader in marine research, and is recognized by the academic and business community as a critical hub of an emerging marine science and technology corridor. The campus's activity in bio-medical research and advanced materials is an emerging strength, rooted in the university's textile engineering history that is a catalyst for economic transformation in the region.

The Advanced Technology and Manufacturing Center in Fall River and the Star Store arts campus in New Bedford have added value to campus programs and positioned us well to provide innovate leadership support in both cultural and economic development. Ten start-up companies are being incubated at the ATMC next to UMass Dartmouth research laboratories. Over the last two years, three companies have left the incubator to expand. The Star Store, meanwhile, has spurred the re-development of a dozen downtown New Bedford buildings.

University of Massachusetts Dartmouth (continued)

UMass Dartmouth also is central to key partnerships that are leading the social and economic development of southeastern Massachusetts:

- The Connect partnership is linking all of the public higher education institutions in the southeastern area in order to serve the region more effectively.

- The SouthCoast Development Partnership is a regional coalition of higher education and business leaders designed to think and act strategically to foster sustained growth.

- The SouthCoast Education Compact is a regional coalition of higher education, K-12, and business leaders focused on increasing educational attainment levels.

UMass Dartmouth continues to advance its mission through such collaboration.

University of Massachusetts Lowell

The mission of the Lowell campus is to provide an affordable education of high quality and to focus its scholarship and public service on assisting sustainable regional economic and social development.

THE TRANSFORMATION PLAN

The University of Massachusetts Lowell will follow the transformation initiative that was started in FY 2005. Complete information regarding the transformation initiative is available at our website.

Objective
The purpose of the initiative is to create new ways to organize and deliver knowledge, to encourage focused research, and to promote a new image of the campus. Its goal is to provide students with the most creative, thoughtful and up-to-date curriculum possible, to allow faculty to expand their pedagogical, disciplinary and interdisciplinary interests, to engage all staff and administrators in campus life and innovation, and to develop wide understanding -- across a broad public arena -- of the innovations currently under way on the campus.

The Need to Change
The need to reinvent the campus proceeds from three related assumptions about social, economic and educational changes that will structure a revised landscape for higher education in Massachusetts and elsewhere in the coming years:

- **The global context.** Rapid changes in technology, the creation of new goods and services, the restructuring of the international division of labor, the movement of peoples, and the degradation of old skills and creation of new ones demand a rapid and agile response. While change is to be expected, it is the velocity of these changes that now raise significant challenges and opportunities for universities everywhere. Institutions of higher education must address these issues if they are to provide the kind of research and education that will prepare students and researchers to meet the challenges of this global context. It requires that teaching and research respond rapidly to a changing environment while maintaining a strong commitment to basic skills.

- **State and local level**. In Massachusetts the dependence of public higher education on funding from the legislature poses a particular challenge for this institution. The prevalence of numerous highly-regarded private universities overshadows UMass, and public support for public higher education is not strong. The legislature has reduced funding over the last ten years. The recent budget crisis showed just how vulnerable UMass and this campus are to fiscal downturns. Our long-term success hinges on finding alternative sources of funding while at the same time articulating more clearly the University's importance to the Commonwealth. Because this is a five-campus system, Lowell has an opportunity to highlight our particular strengths both within the university system and more widely to the general public.

- **Campus level.** If we are to respond to global change, attract a "deeper" pool of students, and enhance our revenue from major funding agencies we need to continue to refocus ourselves at the campus level. Recent changes in faculty (many retirements, new faculty coming on board) and staff (new team of senior administrators, integration of a number of units) have built on changes begun more than a dozen years ago. Critical to this task is increasing our administrative efficiency, improving our retention of undergraduate students, increasing our fundable research, innovate our teaching methods and attracting a broader range of students at all levels.

This transformation is built on the mission of the campus, promotes the full integration of sustainability in all we do and advocate, and is dedicated to creating an institution that can promote a new and exciting image to other universities, potential students, funding agencies, legislators, and the public at large. It will require additional resources and the reallocation of others. Most of all, it will require the enthusiasm and talents of all members of the university community.

University of Massachusetts Lowell (continued)

The four key goals of this plan are:

1. Promote the sustainability of the physical, economic and social lives of the community in all areas of university activity
2. Support all teaching activities and expand interdisciplinary teaching.
3. Promote research within and across disciplines and increase research output in all disciplines.
4. Extend and deepen our commitment to local communities and cultures.
5. Maintain a clean, safe, and inviting work environment for all members on the University community.

We believe that the accomplishment of these goals will:

1. Enhance our ability to attract and retain high-quality undergraduate and graduate students.
2. Enable us to develop a specific and attractive persona for the campus that can be advertised and promoted widely over a wide range of media—state, local, national, and international.
3. Improve the work environment and working conditions for staff, faculty, and students.
4. Enhance our capacity to conduct internationally recognized and funded research.
5. Enhance the ability of all University members -- students, faculty, and staff -- to become meaningfully engaged with the campus, community, and region.
6. Promote the physical, intellectual, and social integration of the campus.

CAPITAL INVESTMENT AND DEBT SERVICE

Over the last ten years the Lowell campus, in partnership with the State Legislature, the State's Division of Capital Asset Management and the President's Office, implemented and completed a challenging program to revitalize the Lowell physical plant. This initiative has moved the Lowell campus beyond merely reacting to deferred maintenance and emergency repairs: critical systems are in working order and the existing physical plant is able to support current academic programs and activities. Our 10-year capital plan emphasizes timely planned replacement of building systems before they fail, and the infrastructure renewal necessary to operate the campus successfully into the 21st century.

Planned Replacement comprises approximately 20% of our current program i.e. those projects that will maintain campus infrastructure and upgrade systems to accommodate growing needs. The consistent implementation of planned replacement projects is critical to avoiding a return to the deferred maintenance cycle of fighting emergencies at the expense of planned repairs. A small percentage of the plan (3%) is dedicated to compliance issues. The Lowell campus approach will integrate a broad range of possible compliance issue resolutions into every capital project, large or small, and treat them as essential project elements. This broad approach will continue throughout all projects in the capital plan.

The projects listed in the capital plan are designed to address the infrastructure needs accompanying Lowell's academic transformation.

The capital plan includes some key projects to ensure the success of the academic transformation: the rehabilitation of the Allen House, the modernization of the North Quadrangle, modernization of the Libraries as well as the renovation of Coburn Hall.

The **UML NanoManufacturing Center** will develop economically and environmentally practical ways to commercialize innovations in the nanotechnology field. The NanoManufacturing Center is a cornerstone of Lowell's economic development strategic plan. The construction of a new facility has been approved by the Governor and provided with $35 million in funding and special construction authority. We will begin location and facilities studies this fall.

With approval and guidance from the University Board of Trustees and the President's Office, UMASS Lowell has received authorization to bond $130,800,000 from the Building Authority.

TECHNOLOGY INFRASTRUCTURE

The current network wiring infrastructure has been in place since the late 1980's and the demands on the network are growing and UMASS Lowell needs to keep pace. Over the last year, we have created a long term plan for the network that is state of the art and scalable; ensuring capacity to continue with UMASS Lowell's tradition of using technology for teaching, learning and research. The plan calls for an investment of $6.6 million over the next three years.

University of Massachusetts Medical School Worcester

The Medical School has developed strategic goals to enhance its ability to achieve its overall mission: to serve the people of the Commonwealth through programs of national distinction in health services education, research and public service. Leading goals continue to be the achievement of national distinction in our founding mission of primary care education and our aspirant goal to become one of the top 25 ranked medical schools as indicated by funding from the National Institutes of Health. Success in primary care education is evidenced by consistently ranking in the top 10 medical schools in primary care as reported by US News and World Report (ranked 4th in the most recent survey) and 50% of graduating students entering primary care disciplines upon graduation. Success in the Medical School's research mission is gauged by the annual ranking of support by the National Institutes of Health. In the most recent report, the Medical School awards from NIH ranked 39th among all schools, 17th among public medical schools and 3rd among all medical schools created since 1965. The quality of the Medical School's research program and its success in achieving national, and even international, distinction is further evidenced by the recognition of Dr. Craig Mello's groundbreaking discovery of RNA interference with the receipt of this year's Nobel Prize in Physiology or Medicine.

The three strategic objectives that are paramount to the continued success of the Medical School are: separation of the Chancellor / Dean position, planning and construction of the Advanced Education and Clinical Practice Center (AECPC) and the establishment of a new Clinical and Translational Science Department (CTSD). Each of these endeavors is planned to maintain the positive growth and programmatic excellence that has marked the last ten years at the Worcester campus.

University President Jack Wilson and Chancellor / Dean Aaron Lazare have worked together to begin the process of creating a new Dean position at the Worcester campus. The search firm of Spencer Stuart has been retained to manage the process and President Wilson has met with key groups of academic department chairs, faculty, students as well as leadership from our clinical partner, UMASS Memorial Health Care, Inc. (UMMHC), to discuss the position and hiring process. The search firm will continue the process through a series of individual interviews and open forums to assess the unique challenges that are a part of the campus' culture and organization. They will work closely with the search committee to propose a position specification for the Chancellor's review that describes the position's objectives and the required competencies, experience and other personal attributes of the ideal candidate. This reorganization of Medical School leadership positions is designed to continue and support the School's success and trajectory towards national distinction.

The NIH Roadmap Initiative seeks to strengthen the nation's clinical and translational research enterprise through integrated clinical and translational research programs funded by Clinical and Translational Science Awards (CTSA). Current plans for the establishment of a new Clinical and Translational Science Department (CTSD) at the Medical School will mark its commitment to develop the necessary infrastructure and academic home for clinical research. The mission of the CTSD is to provide a seamless home for clinical investigation that provides consolidated resources to: 1) recruit, educate, and train physicians, nurses, and biomedical scientists in rigorous clinical investigation; and 2) to accelerate the movement of laboratory discoveries from bench to bedside to community practice by fostering a culture of collaboration among clinical investigators, healthcare professionals and basic research scientists. This effort will lead the campus in its ongoing research growth by capitalizing on and following the NIH priority to increase clinically relevant research programs and outcomes. Vice Chancellor for Research, Dr. John Sullivan, has submitted a planning grant to the NIH which will offset some of the costs associated with developing a major grant proposal for the next series of CTSA grants offered by the NIH.

The AECPC will be crucial for the development of new clinical research space (dry lab) and educational programs related to simulation and standardized patients. The Standardized Patient Program, already a mainstay of the education process at the Medical School, led the way over the past ten years in development of like programs across the country, and the AECPC will provide space to grow this program side-by-side with new state of the art simulation programming. Equally important will be its role in providing new space to our clinical partner, UMMHC, for ambulatory practice, clinical teaching and faculty offices. Although the final design is not complete, the site has been chosen and contracting for architectural and construction partners for an aggressive design / build implementation is in process.

The preliminary plans for the AECPC are to lease two floors of space to UMMHC, to partially offset financing costs for the project. The current plan also includes up to $75 million in borrowing but this may be impacted by decisions as to the final massing for the AECPC. The potential exists to extend the height of the structure and create an

University of Massachusetts Medical School (continued)

additional two floors, which would increase availability of growth space for both the Medical School and UMMHC. This decision will define the final project costs and impact borrowing decisions.

The continual pursuit of our mission for national distinction has also produced strategic success in the area of public service. Several accomplishments that are of importance to the Medical School's ongoing goals and objectives reflect its leadership commitment to public service in a wide array of activities that support the state and nation with innovative services.

Evolving from a partnership between the department of Psychiatry and the Department of Mental Health to provide psychiatric services to vulnerable populations, the School's division of Commonwealth Medicine now has contracts with 16 state agencies, providing a variety of high quality services for the Commonwealth and generating revenues that have been invested back in the core academic mission. This entity also provides rich opportunities for research and has been the initiating force in the development of two new innovative academic programs: a PhD program in Population Health and fast-track masters in nursing program designed to encourage individuals without nursing degrees to enter this segment of the work force.

The successful completion of the UMass Biologic Lab (UMBL) building in Mattapan is an accomplishment for the UMBL and the Worcester Campus. The site, previous Boston State Hospital grounds in Mattapan, offers more opportunity to consolidate and vastly improve remaining UMBL functions that are currently located at the Jamaica Plain campus. The facility will specifically provide filling' capacity for the orphan drugs produced by the UMBL. Orphan drugs (and vaccines) are those not produced by the major pharmaceutical companies because their potential for profit is not large enough to attract these major for profit entities.

In total these goals and accomplishments create great opportunity for continued research growth through development of space resources for clinical and translational programs, educational advancement in specialized space for simulation and best practices, strengthening the existing management structure, expanding public service activities and re-engagement of the clinical faculty.