Chair Buonomo convened the meeting 9:14 a.m. and stated that the Committee was provided with draft minutes of the September 13, 2017 meeting and asked for any corrections. With no corrections, the minutes were approved.

**Reports:**

**President’s Report**

President Meehan updated the Committee on the University’s year-end results for fiscal year 2017. He stated that the University was able to end the year with a positive operating margin of 1.6% exceeding the original budget projections of .1%.

President Meehan provided the Committee with some highlights from the previous year. He announced that the administration was able to execute budget plans which resulted in better than
expected financial performance. Since introducing the quarterly financial reports this fiscal year, Chancellors and Board leadership are able to have quality informed conversations while discussing the University’s financials.

President Meehan announced that the executive search for the next Chancellor for UMass Boston is underway. The 15-member committee chaired by Trustee Henry Thomas includes UMass Boston faculty, staff, students, and alumni as well as representative from the Board, President’s Office and the community. Additionally, the University has secured the consultative services of Dr. Freeman Hrabowski III, President of the University of Maryland Baltimore County. Dr. Hrabowski, the search committee, and the search firm will work to develop a pool of candidates and identify finalist to recommend to the Board of Trustees for appointment to vital role of Chancellor for the Boston campus.

President Meehan acknowledged a letter that he and the 5 Chancellors sent to Congress in opposition of the tax reform package (H.R. 1, the “Tax Cuts and Jobs Act”) that threatens the financial stability of universities and specifically and unfairly targets college students, particularly graduate students. This proposed tax plan reduces tax benefits and savings for college students, increases the financial burden on student loan borrowers and effectively creates more financial barriers to college for students of limited means.

He recognized the progress the University has made in its sustainability efforts. Princeton Review recently ranked UMass Amherst among its Top 50 Green Colleges and designated UMass Boston, Dartmouth, and Lowell as Green Colleges. The Medical School received the bronze distinction.

President Meehan expects that the Administration’s budget recommendations will be released in January followed by the House and Senate recommendations in the spring. He acknowledged the State’s investment in UMass. UMass generates $6.2 billion in annual state-wide impact through research, employment, purchasing and other activities which translates to a 10-1 return on the Commonwealth’s investment in the University.

President Meehan emphasized his commitment to working with State leaders as they go through a challenging budget process and will continue to inform the University’s stakeholders of the University’s mission and why they should be advocates.

Chair’s Report
Chair Buonomo provided an update on the State’s revenue collections for fiscal year 2018 through October. Year-to-date revenue collections through October totaled $8.2 billion, up $205 million or 2.6% more than the state took in last year at this time. The State revenues through October are running $178 million above the benchmarks used in developing the State’s FY18 budget. Chair Buonomo reviewed the breakdown of the October Tax revenue reporting that revenues for October totaled $1.8 billion, which were $58 million or 3.3% above the benchmark for the month and income collections are even with the benchmark for the year. All other tax collections are $15 million above the benchmark for the year. The A&F team will continue to monitor the State revenue collections throughout the fiscal year and report any significant changes to the Committee and the Board.
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Chair Buonomo provided an update of the University’s Five-year Forecast that was first presented in September and stated the Senior Vice President Calise and her team would highlight what changes and updates the University has made in more detail.

Chair Buonomo noted that the University is operating in a very different environment than what existed five years ago. The challenges that lie ahead, which include the need to ask how much the University can afford to spend annually, aligning the University’s debt coverage ratio and debt burden ratio with peers, and the need to look closer growth in expenses, as compared to inflation and other revenue metrics.

He went on to say that expense and revenue growth is critical and suggests that the University administration delve deeper into major cost drivers (debt, salaries, fringe, and financial aid) and that the University continues to seek revenue growth. Chair Buonomo stated that this highlights the importance of the University’s Efficiency and Effectiveness initiatives and the impact that the various groups across the campuses charged with implementing savings are to the success of the University. The University’s initiatives indicate UMass’ commitment to become more efficient and effective in managing operations and enhancing quality for students, faculty, and staff.

**Senior Vice President Report**

Senior Vice President Calise provided an overview of the status of the A&F roadmap which included progress on initiatives such as the A&F Executive Dashboard and the Enterprise Risk Management projects both currently underway.

She also highlighted that a system-wide reserve policy is under development and planned for discussion at the April meeting.

Senior Vice President Calise reported that the University’s actual results were positive and better than budgeted estimates.

**Public Speakers:**

Juan Pablo Blanco, a UMass Boston Student, expressed his growing concerns with the financial challenges on the Boston campus. He discussed the benefit of increasing financial aid opportunities for underrepresented students and the need for the Board to seek alternatives to solve the fiscal issues on the campus rather than increases to tuition and fees.

Madelin Walker, the UMass Boston Student Organizer for the Public Higher Education Network of Massachusetts shared her personal story of her recent experience at UMass Boston. She stated that the financial issues on campus has resulted in her losing the majority of her financial aid. She noted that while class sizes are increasing, academic programs have been cut, and financial aid is decreasing. She commented about 5 talented students who have since transferred to other institutions given the uncertainty surrounding UMass Boston’s commitment to affordability. She urged the Board to stay committed to the University’s mission of affordability and accessibility and requested that they use some of the system reserves to help subdue the financial strain on the Boston campus.
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**Action items:**
Chair Buonomo requested a motion for the **Approval of Changes to the Capital Projects List (related to the FY2017 – FY2021 Capital Plan)**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Ms. Pasquini provided an overview of the action item. The Quarterly Capital update included two projects that required a Board vote this quarter.

It was moved and seconded.

To recommend that the Board take the following action:
Pursuant to Trustee Policy T93-122, as amended, to approve the following project under the first vote or "**Preliminary Campus Estimate**":

<table>
<thead>
<tr>
<th>Campus</th>
<th>Project Name</th>
<th>Preliminary Campus Estimate</th>
<th>Local Funding</th>
<th>External Funding</th>
<th>Borrowed Funding</th>
<th>State Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMA</td>
<td>Campus Core Accessibility, Waterproofing and Landscape Improvements</td>
<td>$16,500,000</td>
<td>$16,500,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

And further, Pursuant to Trustee Policy T93-122, as amended, to approve the following project under the second vote or "**Full Project Approval**" and to satisfy the University’s written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T16-058:

<table>
<thead>
<tr>
<th>Campus</th>
<th>Project Name</th>
<th>Preliminary Campus Estimate (First Vote)</th>
<th>Full Project Approval (Second Vote)</th>
<th>Local Funding</th>
<th>External Funding</th>
<th>Borrowed Funding</th>
<th>State Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>UML</td>
<td>Coburn Hall Renewal and Addition</td>
<td>$20,000,000</td>
<td>$50,000,000</td>
<td>-</td>
<td>$1,000,000</td>
<td>$44,000,000</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

The Chair then asked for a vote and the motion passed unanimously.

Chair Buonomo asked for a vote to place Action Item #1 on a Consent Agenda for the Board meeting.

It was moved and seconded to place Action Item #1 on a Consent Agenda.

The Chair then asked for a vote and the motion passed unanimously.

**Discussion Items:**
Mr. Gorzkowicz provided an overview of the Capital Projects submission to the Commonwealth which discussed the Strategic Framework for Capital Investment in MA Public Higher Education Facilities. He listed the priority projects that the campuses identified for submission.
Senior Vice President Calise provided a refresher of the financial forecast presented in September. She specified the changes made, revenue, and expense assumptions, and the impact of these on the key financial ratios.

The key highlights were:
- UMass’ financial stability is improving through deliberate growth strategies.
- Enrollment reflects changing demographics and a more competitive environment.
- Tuition revenue and rate increases that keep us competitive with our peers.
- And increases to State support are tied to collective bargaining.

Mr. Gorzkowicz also led a discussion surrounding the areas of improvement necessary for the University to continue to focus on maintaining a positive standing with the rating agencies. These areas included the need to grow the online program, increase the University endowment and develop new strategies to grow revenue and increase the overall margins.

Ms. Pasquini briefly presented the environmental sustainability efforts at each of the 5 campuses and the metrics used to measure performance. The annual report is the first since the Sustainability Policy was adopted last year. It demonstrates the University’s commitment to that policy and the efforts to address climate change, waste, recycling, transportation and sustainable food services, among other initiatives on the UMass campuses.

Mr. Gorzkowicz provided a high level overview of the annual Clery Report one of the various Enterprise Risk Management (ERM) initiatives for the University. The Cleary Report contains a summary of the crime statistics for the University for the last 3 calendar years. Per Board request, the University is committed to bringing the Clery Report back for further discussion at a future meeting.

There being no further business, the meeting adjourned at 11:17 a.m.

Christina A. Kelley
Assistant Secretary to the Board