Chair Buonomo convened the meeting at 8:06 a.m. and stated that Trustees Roh and Miller will be participating by telephone pursuant to 940 CMR 29.10(5), since they are traveling making it unreasonably difficult for them to attend in person.

Chair Buonomo stated that due to a full Board agenda and the need to keep the meeting moving forward in a constructive manner, any members of the Committee or others who wish to speak do so through the Chair.
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Chair Buonomo stated that the Committee was provided with draft minutes of the Open Session and Executive Session of the April 6, 2016 meeting, and draft minutes of the December 3, 2014 Executive Session and asked for any corrections. With no corrections, the minutes were approved. Chair Buonomo stated that the approved Executive Session minutes from December 3, 2014 and April 6, 2016 will remain confidential since the purpose of those meetings would be defeated with their release.

Reports:

Chair’s Report  
Chair Buonomo provided an update on the State’s revenue collection for fiscal year 2017. He reported that the development of the fiscal year 2017 operating budget began this past October. Investments that have contributed to the system’s cost drivers in this year’s budget include investments in the capital plan, an overall focus on student experience through investing in facilities and prioritizing academic quality, and investments made in financial aid, faculty, and academic support services. The University has a gross need of $111 million in additional funding for fiscal year 2017; costs have been offset by expected increases in enrollment and additional E&E efforts which brings the overall request to $81.5 million in state support for FY2017.

Chair Buonomo urged the Committee to work with the Administration and Legislature on creating a funding model that resembles a shared commitment and responsibility to high quality education. He advocated for the state to fully fund their share of the collective bargaining along with the support for deferred maintenance, stating that it would have a tremendous effect on affordability and will help keep tuition increases reasonable while allowing campuses to make modest investments in quality.

President’s Report  
President Meehan reported that prior to submitting the University’s fiscal year 2017 state budget request, the Board met with the administration and Chancellors in October to discuss the details of the request. He noted that he had the opportunity to meet with Legislators to provide them with information about the FY17 budget request and believes that those meetings were beneficial to the University and the Legislators and helped secure the additional $10.9 million in collective bargaining funds that are in a supplemental budget. President Meehan expressed growing concerns about the FY17 budget given the latest revenue report and the differences in funding between the House and the Senate. President Meehan announced that there will be a special Board meeting to discuss the tuition rates for the upcoming year after the Conference Committee gives the University its final budget.

President Meehan provided an update on capital spending. He stated that the Baker Administration released their second Capital Plan for 2017 which included all of the projects that the campuses had underway. He informed the Committee that DCAMM will work with higher education state agencies to prioritize projects across higher education with funds in the amount of $8.5 million for deferred maintenance.

President Meehan reported that Standard and Poors (S&P) reaffirmed the University’s Bond rating. The University has maintained its AA- rating, indicating that the University’s financial
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operations will remain balanced, demand will remain relatively stable, enrollment will continue to grow, and financial resources will remain close to current levels while the debt burden remains lower than the system’s cap of 8%.

President Meehan reported that the Federal Emergency Management Agency (FEMA) and Massachusetts Emergency Management Agency (MEMA) approved the multi-campus plan for protecting facilities and services from natural hazards such as storms or flooding. Four years ago the University was awarded 3 grants totaling $650,000 from the state Department of Conservation and Recreation and MEMA for the Hazard Mitigation Plan. Since then and through the development of the plan, MEMA awarded the UMass System five additional grants totaling overall $1.6 million.

President Meehan also reported that the Conference Committee is expected to conclude its deliberations toward the end of June with a goal to get the budget to the Governor for the start of the fiscal year. He stated that the University will not have a final budget until that process concludes.

Action Items:

Chair Buonomo requested the approval of the Establishment of Governor Paul Cellucci Endowed Chair, UMass Medical School. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

It was moved and seconded.

To recommend that the Board take the following action:

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish the Governor Paul Cellucci Chair in Neuroscience Research at the University of Massachusetts Medical School (Doc. T16-038)

Chancellor Collins provided a brief background.

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Buonomo voted for the motion as did Trustees Campbell, Fubini, Furman, Johnston, Lee, Mullan, O’Brien, O’Neil, Peyser; and Chairman Woolridge.

Chair Buonomo requested the approval of the Approval of the Non-Discrimination and Harassment Policy. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

It was moved and seconded.

To recommend that the Board take the following action:
To approve the Non Discrimination and Harassment Policy which establishes what each campus’ policies and procedures must provide to address issues of discrimination and harassment, and to authorize the President or his/her designee to issue Standards to be followed by each campus conduct code.

And further, To rescind the Sexual Harassment Policy, Doc. T92-037.

And further, To rescind the Resolution in Support of Pluralism, Doc. T92-035, and the Policy Against Intolerance, Doc. T92-036.

(Doc. T16-040)

Mr. Preble, Associate Vice President for Labor Relations, provided an overview of the proposed policy. He informed the Committee that the new policy would allow the President to develop administrative standards consistent with the overall Board policy without the necessity of a new Board vote. Discussion ensued and Trustees Peyser, Johnston, and Campbell expressed their concern with how the Board would exercise their fiduciary responsibilities under the new language in the policy. General Counsel Heatwole clarified that the policy would not exclude the Board from overseeing changes made to policy. It would allow the campuses to make local policy changes as needed with the approval of the President and Chancellors under the general authority of the Board policy and as required by state and federal regulations. She emphasized that there are no changes to the Board policy only changes to administrative efficiencies. The University is still following the state and federal law.

Chair Buonomo asked that the Committee receive documentation of both the previous version of the Harassment policy and the new policy language in order to review and have a better understanding of the changes. Trustee Fubini requested that language be included in the policy that clearly explains the Board’s role.

Chair Woolridge asked for a motion to table the approval of the Non-Discrimination and Harassment Policy until the special Board meeting in July. It was moved and seconded.

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Buonomo voted for the motion as did Trustees Campbell, Fubini, Furman, Johnston, Lee, Mullan, Peyser; and Chairman Woolridge. Trustees O’Neil and O’Brien voted against the motion.

Chair Buonomo requested the Quarterly Capital Project Update and Amendments to the University’s Capital Plan. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

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 projects under the first vote or “Preliminary Campus Estimate” and to satisfy
the University’s written request that the UMass Building Authority undertake this project in accordance with Board of Trustees vote T14-090:

<table>
<thead>
<tr>
<th>Campuses</th>
<th>Project Name</th>
<th>Preliminary Campus Estimate – June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowell</td>
<td>Coburn Hall Renewal &amp; Addition</td>
<td>$20,000,000</td>
</tr>
</tbody>
</table>

AND

Pursuant to Trustee Policy T93-122, as amended to approve the following projects under the second vote or “Approved Project Costs” and to satisfy the University’s written request that the UMass Building Authority undertake these projects in accordance with Board of Trustees vote T14-090:

<table>
<thead>
<tr>
<th>Campuses</th>
<th>Project Name</th>
<th>Approved Project Cost – June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amherst</td>
<td>DuBois Writing Program &amp; Image Library</td>
<td>$8,100,000</td>
</tr>
<tr>
<td>Lowell</td>
<td>Fox Hall Elevators</td>
<td>$14,000,000</td>
</tr>
</tbody>
</table>

Budget Director Pasquini provided an update on the Capital Projects. She provided an overview of the phase process for capital projects and noted that the current list of projects total $2.5 billion; a change from last quarter’s reported total of $3.3 billion. Ms. Pasquini informed the Committee that one projects is coming to the Board seeking a first vote based on preliminary estimates; the UMass Lowell Coburn Hall renewal. The $20 million project would address 50% of Coburn’s deferred maintenance needs and will focus on making the building accessible.

The Secretary then called the roll with each Trustee asked to vote yes or no. Chair Buonomo voted for the motion as did Trustees Campbell, Fubini, Furman, Johnston, Lee, Mullan, O’Brien, O’Neil, Peyser; and Chairman Woolridge.

**Discussion Items:**

**FY17 Operating Budget Development and State Budget Update**

Senior Vice President Wilda provided an overview of the current status of the State’s Budget deliberations and the University’s FY17 Operating Budget Development. She stated that the University received a $10.6 million increase in FY16 but that failed to cover collective bargaining including the $10.9 million from FY15 and the additional $20.6 million needed for FY16. She informed the Committee that while measures were taken to close the gap caused by the deficiencies in the states revenue, the only University line item further impacted was related to the Collins Center of $500,000. The University did however receive supplemental funding for the remainder of the outstanding collective bargaining increases totaling $10.9 million for FY15. Senior Vice President Wilda commented that the state continues to experience lower than
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projected revenue performance and that there were no further actions made during FY16 to reduce appropriations.

Senior Vice President Wilda reported on the Final Projections for FY16 and presented data indicating that the University will come in slightly higher than it originally anticipated despite challenges during the year including the uncertainty around collective bargaining. The University is expected to come in at 0.5% Operating Margin for the year. Continued implementation of E&E initiatives helped along with budget reductions; E&E efforts to conserve the University’s FY16 budget included a hiring freeze and review of all vacant positions; reductions in strategic investments; delays in equipment purchases and deferred maintenance among other efforts.

Senior Vice President Wilda reported that the University submitted an FY17 State Budget Request of $595.9 million; the expense drivers built into the model totaled $110.6 million. With projected enrollment growth and continued E&E work, the University still faced an $82 million need. A request for an additional $62 million in funding net of the fringe benefits absorbed by the state was made along with a $20 million for the Medical School. She also reported on the budget’s development process and stated that due to the timing of the State budget including the final report from the Conference Committee and the Governor’s 10-day veto process, the University will not know the final FY17 appropriation until July. The University will set its Tuition charges during the special meeting.

Senior Vice President Wilda stated that the University’s cost drivers will not change while the Conference Committee deliberates. Things to consider for the funding the FY17 budget, salaries and fringe will increase as per the collective bargaining and the states fringe rate; capital costs will increase; financial aid will continue to increase amongst others. The campuses will continue to implement reduction measures and E&E efforts to the benefit of the students, faculty and staff. She concluded by stating that the University’s goal is continued quality and strong performance in FY17. She emphasized the importance that UMass maintains a strong position within the Commonwealth. The University will work to produce an operating budget that funds its annual obligations to its students, faculty, staff, and stakeholders.

Discussion ensued. Trustee Fubini stated that it is incumbent on the University’s administration to address the air of limits and understand the reality of tuition increases and the lack of funding from the state. He suggests that the University be more aggressive in making thoughtful analysis on how to do more with less and stated that he does not believe that the solution is discussing cuts but rather looking for ways to leverage existing operations. Trustee Lee concurred and stated that efforts cannot be made solely by the Board. Trustee Furman stated that the Board must exercise its authority and do more in conjunction with the administration on this effort. President Meehan stated that the Chancellors are researching ways to cut back efficiently on every level and that the administration is looking to work with the Isenberg School and experts willing to volunteer their time on the matter of Efficiency and Effectiveness.

Chancellor Motley clarified the matter on the cuts of 400 faculties as an E&E effort on the UMass Boston campus. He realizes that there is concern and stated that he has not approved any cuts to the UMass Boston faculty. He stated that contractual obligations require him to notify faculty of the possibility of cuts by June 1st. He stated that as Chancellor it is his responsibility to find strategic alternatives so that cuts don’t happen. Vice Chancellor O’Connor commented that
the notice to the faculty is a part of a mandated alert that must be shared with faculty. She also informed the Board that research shows that UMass Boston has a 16:1 student-to-faculty ratio and that the University’s faculty is world class and that the administration is working to produce efficiencies without jeopardizing that.

**Review Changes to the Tuition and Fee Policy for implementation of Tuition Retention**

Associate Vice President Gorzkowicz provided an update on tuition retention and informed the Committee that with the help of the Legislature and ongoing conversations with the University’s Administration tuition retention is an important step toward making UMass more transparent to students and their families by allowing them to see student charges in a way that alleviates confusion between tuition and mandatory fees. He also provided an overview of changes to the University waivers, tuition and fee rationalization, and changes to the student bill.

Associate Vice President Gorzkowicz reported on the Task Force’s recommendations and how they will be implemented. He noted that recommendations included revising the student bill in a way that is simplified to be easier to navigate and understand student charges, has the same format across the system, uses common use of terms and definitions and includes state subsidy for in-state students. Highlighted recommendations for adjustments to the FY17 Budget request included FY17 Appropriation to be reduced by the amount of tuition retained by the University, and UMass to be allowed to charge fringe to the Commonwealth for any employee paid from tuition retained by the University not to exceed the amount the University’s appropriation is reduced by.

Trustee O’Neil asked if there would be a breakout of the student fees and sub fees on the students’ bill. She also stated that the current billing process is confusing. Associate Vice President Gorzkowicz stated that the new student bill will be itemized and user friendly. Trustee Lee agreed with Trustee O’Neil and provided her experience with student bills as a parent.

Chair Buonomo stated that mandatory fees that go to all students should be approved by the Board. Chairman Woolridge concurred and stated that the billing policy should indicate that most of those fees have been collapsed into tuition. Chair Woolridge stated that all subsequent mandatory fees will need to be approved by the Board and that the other fees should be transparent.

**Information Items:**

Executive Director Filippone provided the **Building Authority Update**, which included a brief update on the University’s rating by Standard and Poors (S&P) which reaffirmed the University’s AA- rating. The Building Authority will be working to get a similar rating from Moody’s and Fitch. Executive Director Filippone highlighted the construction projects in progress and which phases have been approved. She stated that the Building Authority will continue to monitor and seek funding opportunities.

Chair Buonomo stated that the annual update to the **Efficiency and Effectiveness Report** has been shared for review.
Chair Buonomo then asked the Committee to vote to enter into Executive Session for the purpose of considering an Update on a real estate transaction at University of Massachusetts Lowell and an Update on a real estate transaction at University of Massachusetts Medical School, since an open meeting would have a detrimental effect on the negotiating position of a public body, as permitted by General Laws Chapter 30A, Section 21(6).

Chair Buonomo announced that the Committee would not reconvene in open session.

It was moved and seconded and the Secretary called the roll with each Trustee asked to vote yes or no to enter into Executive Session for those purposes listed. Chair Buonomo voted for the motion as did Trustees Campbell, Furman, Lee, Mullan, O’Brien, O’Neil, Peyser; and Chairman Woolridge.

The time was 10:54 a.m.

Christina A. Kelley
Assistant Secretary to the Board