Chair Manning convened the meeting at 8:42 a.m. and commented on the need for the University to increase tuition. He then provided an overview of the day’s agenda noting that the discussion is meant to be informal and not a deliberative session.

Chair Manning previewed the presentation by Dr. Michael Crow, President of Arizona State University and encouraged the Trustees to ask questions and provide candid feedback that would inform strategic planning and lead to implementation of a centralized online learning program. He emphasized the importance and critical need for increasing our online learning program. He thanked Dr. Crow for his insight and knowledge.

President Meehan provided an update on the progress and development of his senior leadership team. The new team members are Lisa Calise, Senior Vice President for Administration and Finance; John Letchford, Chief Information Officer, Information Technology Services; Gerry Leone, Incoming General Counsel; Katie Stebbins, Vice President for Economic Development; and Katherine Newman, Incoming Senior Vice President for Academic and Student Affairs.

President Meehan provided system level highlights and stated that the University continues to break records, grow enrollment, and has provided students with the highest amount ever given in financial aid.

**Dr. Michael Crow, President Arizona State University: The Future Potential of the Public University for Social Transformation at Scale**

Dr. Crow stated that the University of Massachusetts is on the apex of success for the Commonwealth of Massachusetts.
Dr. Crow provided an historical overview of Arizona State University, which started out as a teachers college. Arizona State Tucson was the research public land grant institution, and there was no funding for the teachers college during the 1980’s. In 2002 when he arrived to the college, he was instructed to build a university for the 21st century; research intensive, and create a university that resembles the region. However, everyone that welcomed his arrival to the institution were not accepting of change but the university had to be redesigned. Dr. Crow’s strategic plan to incorporate faculty made the acceptance of technology and innovation possible. He stated that the measurement of success was by attainment, changing the culture of the university, and by operating as a public enterprise.

Dr. Crow read Arizona State University’s Charter and discussed the university’s responsibility and public trust. The Charter is a promise to the citizens of Arizona that the institution is not dedicated to the political equation. The university’s growth is a result of the use of technology and investment in the faculty. In accepting change and leveraging innovation, the faculty are able to find a way through technology to drive economic development.

Dr. Crow reviewed the university’s design aspirations and discussed the six forces to reshaping Higher Education: (1) Economic and social disruption is continuing to accelerate, placing many institutions at risk (2) Rate and impact of technological change (3) New business and delivery models are gaining traction (4) Greater transparency about student outcomes is becoming the norm (5) Student and family demands are rising for a greater return on investment in higher education (6) The globalization of education is accelerating.

Trustee Collins inquired about the ratio of online students to campus students. Dr. Crow noted that the current ratio is 3:1 at 25,000 online FTE degree seeking students. He reported that the faculty at Arizona State University is comprised of approximately 1,300 non-tenure or tenure-track and are paid market salaries, and some courses are instructed through the use of artificial technology. Dr. Crow also commented on the evolution of research institutions, and discussed local and national trends in relation to enrollment and graduation rates for undergraduate and graduate degree seeking students at the university compared to previous years and its peer institutions.

Dr. Crow provided an overview of the gross revenue sources for Arizona State University noting that commitment to financial aid continues to be crucial to affordability.

**Campus Updates**

Shawn Warren, KPMG Partner, provided an update on the budgets process assessment his firm is performing on the UMass Boston campus, including a summary of observations.

Mr. Warren stated that his firm was hired by Kyle David, Director of Internal Audit at President Meehan’s request. He noted that he anticipates completing and presenting the President’s Office with a full report in September.

Mr. Warren provided background information on UMass Boston’s operating budget and noted that the UMass Boston campus reported a projected $30 million annual budget shortfall in its second quarter financial reporting to the President’s Office at which time the UMass System Office
stepped in to determine the cause. He summarized that the assessment found the budgeting and financial reporting processes of the UMass Boston campus are inadequate and broken. During the assessment, several observations have been made, including: inadequate budget development documentation and opacity; frequent changes to the budget and the changes were insufficiently supported; budgetary reporting processes were insufficient; and UMass Boston personnel were unable to adequately explain and demonstrate how key budgetary amounts were developed, monitored and revised.

Mr. Warren also commented on potential contributors to the UMass Boston deficit due to the campus’ inadequate budgeting for their costs, including: campus subsidy of institutes and centers, faculty startup packages and workload, graduate student tuition waivers, delayed hires, additional compensation and year-end expense cut-off practices.

Mr. Warren then discussed the recommendations surrounding budgeting, general business and policy best practices.

Senior Vice President Calise provided an update on the Boston campus from the system level of Administration and Finance. She briefly discussed the A&F roadmap, its underlying principles, and the plan suggested for implementation. She provided an update of ongoing projects and their targeted dates for completion including the A&F Executive Dashboard 1.0; the We Are Better Together Business Process Redesign; policies and procedures development; and performance indicators. She stated that she sees the possibilities in the recommendations presented by Mr. Warren, and the need to strengthen the accountability framework. Senior Vice President Calise noted that the A&F team is working with an abundance of data and will continue to do data cleaning to gain a clear understanding of the financial picture of the campus.

Interim Chancellor Barry Mills commented that the Boston campus is a unique university in the Commonwealth of Massachusetts that serves a unique group of students. He stated that there is a broad understanding of the importance of UMass and that many people have expressed interest in preserving the campus to make it sustainable forever. However, drastic decisions need to happen now. Chancellor Mills asked the deans of each college to make a 10% budget decrease, and several personnel and senior leadership changes have been made. The campus has downsized significantly and efforts to restructure the budget are about 80% complete. Chancellor Mills reported that he is $10-15 million shy of reducing the deficit to $5 million as requested by President Meehan. He stated that the Boston campus is a work-in-progress but he is very optimistic about achieving that goal. Trustee Johnston congratulated Chancellor Mills on his progress. Trustee Fubini advised Chancellor Mills to reach out to the Board members for any help he might need to get the campus back to where it needs to be.

Chancellor Johnson stated that he hosted a 2-day leadership retreat on the Dartmouth campus. He will continue to explore ways to increase enrollment on the campus since enrollment is a revenue driver. Chancellor Johnson commented on the priority to build the brand of the Dartmouth campus. The campus currently does not have a brand or the recognition it needs to stand alone. UMass Dartmouth is a healthy institution and Chancellor Johnson looks forward to working with his faculty and staff, the administration, and the Board to elevate the campus to its full potential.
Chair Manning thanked everyone for their feedback and service to the Board.

There being no further business, the meeting adjourned at 2:11 p.m.

Christina Kelley
Assistant Secretary to the Board