Chair Karam convened the meeting at 8:08 a.m. The first item on the agenda was the **Chair’s Report**. Chair Karam reported that a special meeting of this Committee has been convened to revisit the issue of student charges and asked that all participants be respectful of the different points of view.

At the last meeting there were many points of view including the freezing of mandatory fees and a proposal to double the $1500 fee increase to $3000 in order to offset the $102 million state-funding gap. For the past five years, this University has charted a very consistent position on student charges, keeping tuition and fee increases under the rate of inflation.

The Committee members have also used the past week to look at the federal stimulus bill; the Committee now needs to take action to preserve the institution instead of awaiting stimulus funds. The Board needs to bring the matter to closure by next week at the full Board meeting so that acceptance letters and financial aid packages can go out in a timely manner.
It falls upon the Committee to move forward guided by our commitment to the University and our commitment to quality.

Under the **President’s Report**, President Wilson reported that the Board’s goal is to protect the quality of the institution, the students and the faculty. The University needs to address a total of $102 million in budget cuts in FY2010; $35 million has been in 9C cuts this year. As long as state funding remains stable, the University will keep costs at or below CPI. However, during this year the budget was not stable and therefore a fee increase is required.

President Wilson also reported that:
- The University has created a new financial aid program to address the fee increase;
- Through the federal stimulus, Pell grants will increase, as well as new higher education tax credits that will favorably affect many families;
- We need to focus our energy on need-based financial aid in all income ranges;
- In FY09, UMass students with incomes over $100,000 received over $91.5 million in aid, including $25 million in grants;
- A member of the Amherst budget department has stated that a $1,500 increase in fees is necessary to maintain the quality of the institution;
- The Dartmouth Faculty Senate and the Lowell Student Government both support a fee increase;
- The new financial aid program will “hold harmless” all students under the median family income;
- If the stimulus bill fully restores funding, UMass will rebate fees to the students;
- The design of this rebate will have to be sorted out once we find out more details of the stimulus bill;
- The Committee did look at non-mandatory fees and have decided that if fee increase passes, there will be a freeze on those non-mandatory fees that are controlled by the institution.

Chair Karam then reported that two members of the Committee, Trustees MacAfee and King-Shaw, could not attend the meeting today but do support the fee increase.

Secretary Reville reported on the following:

- Details of acquiring federal stimulus funds are currently being sorted now;
- The Governor and his Administration support higher education;
- In the federal stimulus, about $1 billion from the stabilization portion will go to the Commonwealth over the next three years and some of the funding targets higher education;
- The stimulus bill states that for higher education, the funds should be used to restore institutions back to their FY08 or FY09 levels;
- The first installment of the funds will most likely support higher education;
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- For FY10 and FY11, the picture is more unclear;
- There is a fair amount of ambiguity in the bill;
- The stimulus bill will help fill gaps in the structural deficit, but we are still unsure how.

Secretary Revile indicated his support for the President’s decision that if the bill brings money to higher education after the fee increase, then the University should offer rebates to the students. After FY11, federal stimulus funding will be cut off and the University is going to have to make difficult decisions at that time.

Chair Manning first thanked the Chancellors for the difficult decisions they are making and reported that he will name a Task Force to study these issues at next week’s Board meeting. The members of the Task Force will include himself and Trustees Tocco, Lawton, Collins, Thomas, Johnston and Rego.

Chair Karam then made a motion to amend Doc. T09-016 by:

Setting individual fee rates for other student fees and student fee/revenue based operations charges not already approved by the Board for academic year 2009-2010 at no more than academic year 2008-2009 levels with the exception of continuing education fees and health insurance fees, which the President is authorized to approve no later than April 3, 2009.

And further, that in the event the American Recovery and Reinvestment Act of 2009 restores State Appropriated Funds to the initial FY2009 level, a rebate of this fee increase will be made to affected students.

The motion was seconded.

Trustee Collins then offered an amendment to the motion to increase mandatory fees to $3000 and increase financial aid to an amount that covers students similarly through the $1500 proposal.

The motion was seconded.

Chair Karam stated that the state simply cannot provide enough funding for all agencies and supports the “high fee/high aid” model for the University. Having those from higher income levels paying for those of lower income levels is a reality and does not support the amendment to the motion.

President Wilson acknowledged the idea of the amendment but supports the motion without it; he indicated his optimism for the stimulus bill.

Trustee Kulenovic stated that any problems the University encounters with a $1500 fee increase will be amplified by a $3000 increase. There needs to be a serious debate on how money from the stimulus will be allocated. The financial aid proposal is just a
bandage for the $1500 increase; students are paying for buildings they will never use. The “high fee/high aid” model makes the University dangerously dependent on higher income students.

Chair Karam responded that nothing is more important than hearing from the students and noted that UMass is one of the lowest cost institutions in New England and feels proud of the financial platform that the Committee will be setting for those with incomes less than the median family income level.

Vice Chair Rego stated her support for the motion on the table because we need to maintain the quality of UMass; everyone wants to spend the federal stimulus money before it has even arrived. She stated her pride as a graduate of the Dartmouth campus and understands Trustee Kulenovic’s passion. She commended the Governor for trying to work through this fiscal crisis and recognized the Chancellors for their work as well.

The amendment offered by Trustee Collins was then defeated.

Trustee Tocco then proposed an amendment to the motion that would implement a pay freeze across the University for the next 18 months.

The motion was moved and seconded.

Trustee Collins voiced his opposition to the amendment – employees at the University have already been through a lot with collective bargaining this year. The amendment also raises questions about legality and would force employees to go to the collective bargaining table without the ability to negotiate proposals.

Trustee Tocco withdraws the amendment and proposes a new amendment that would implement a pay freeze across the University for all non-collective bargaining employees for the next 18 months.

Chair Karam indicated that Trustee Tocco’s amendment is unrelated to the motion on the table and instead needs its own document ID. Trustee Tocco indicated that he would not vote on the original motion.

Trustee Boyle stated that the Task Force is a good idea; however all of the individuals appointed to the Task Force already work full time and it will be difficult to set up meetings. Financial staff from the campuses should be included on the Task Force. The Board should be considering the budget for the next five years and as stated at the last meeting, the University should consider having a full-time mandatory summer session as a way to increase revenue.

Chancellor Meehan stated that the Lowell campus already has full summer sessions and evening classes; the campuses are working hard to utilize all of its resources; Lowell has already cut 57 employees and is willing to lay off more if needed.
Trustee Johnston reported that the University is not the only agency in the Commonwealth taking cuts and it would be a huge mistake to assume that the funds from the federal stimulus bill are built into the University’s budget.

Trustee Tocco stated that he will abstain from the vote if the compensation issue cannot be addressed. The Task Force should not look only at cuts but also at reform. When non-mandatory fees are added to mandatory fees, the University has not kept fees under the rate of inflation.

Secretary Reville offered that it appears that reasonable steps have been taken by the University and the addition of the rebate policy is a good idea.

Trustee McCluskey reported that the increase in mandatory fees cannot be seen as a progressive tax when it is actually a user fee. The stimulus bill has language that fee increases should not be used to mitigate costs and has concerns about the proposed rebate as well.

President Wilson reported that any money that comes to UMass from the stimulus bill will be used as it is intended by the bill.

Trustee Kulenovic stated that the rebate is appreciated, but the Committee needs to draw the line. No one on the Committee is an expert in higher education. The Committee should not make a decision with the information currently available.

Trustee Kulenovic then proposed a motion to table the vote for no earlier than one month in the future.

The motion was seconded and defeated.

The original motion as amended was then

VOTED: To recommend that the Board take the following action:

1. In accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve tuition at the following maximum rates for the Amherst, Boston, Dartmouth and Lowell campuses for academic year 2009-2010:

<table>
<thead>
<tr>
<th>Tuition</th>
<th>Amherst</th>
<th>Boston</th>
<th>Dartmouth</th>
<th>Lowell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate (resident)</td>
<td>$1,714</td>
<td>$1,714</td>
<td>$1,417</td>
<td>$1,454</td>
</tr>
<tr>
<td>Undergraduate (non-resident)</td>
<td>$9,937</td>
<td>$9,758</td>
<td>$8,099</td>
<td>$8,567</td>
</tr>
<tr>
<td>Graduate (resident)</td>
<td>$2,640</td>
<td>$2,590</td>
<td>$2,071</td>
<td>$1,637 *</td>
</tr>
<tr>
<td>Graduate (non-resident)</td>
<td>$9,937</td>
<td>$9,758</td>
<td>$8,099</td>
<td>$6,425 *</td>
</tr>
</tbody>
</table>

*Per 9 credit load
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2. And further, in accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following maximum mandatory fee rates for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2009-2010:

<table>
<thead>
<tr>
<th>Total Mandatory Fees (Curriculum &amp; Other Mandatory Charges)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate (resident)</td>
</tr>
<tr>
<td>Undergraduate (non-resident)</td>
</tr>
<tr>
<td>Graduate (resident)</td>
</tr>
<tr>
<td>Graduate (non-resident)</td>
</tr>
</tbody>
</table>
*Per 9 credit load

3. And further, in accordance with Policy T92-031, Appendix E, to authorize the President to approve, no later than April 3, 2009, the individual rates for mandatory charges, providing that total mandatory student charges shall not exceed the total rates as outlined below for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2009-2010:

<table>
<thead>
<tr>
<th>Total Mandatory Student Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate (resident)</td>
</tr>
<tr>
<td>Undergraduate (non-resident)</td>
</tr>
<tr>
<td>Graduate (resident)</td>
</tr>
<tr>
<td>Graduate (non-resident)</td>
</tr>
</tbody>
</table>
*Per 9 credit load

4. And further, in accordance with Section 1A of Chapter 75 of the General Laws, to establish and approve the following tuition and maximum mandatory fee rates for the Worcester campus for academic year 2009-2010:

<table>
<thead>
<tr>
<th>Medical School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
</tr>
<tr>
<td>Medical School (resident)</td>
</tr>
<tr>
<td>Ph.D./MD (resident)</td>
</tr>
<tr>
<td>Ph.D./MD Years 1-2 (non-resident)</td>
</tr>
<tr>
<td>Ph.D./MD Years 3+ (non-resident)</td>
</tr>
<tr>
<td>Graduate School of Nursing (resident)</td>
</tr>
<tr>
<td>Graduate School of Nursing (non-resident)</td>
</tr>
<tr>
<td>Grad. School of Biomedical Science (resident)</td>
</tr>
<tr>
<td>Grad. School of Biomedical Science (non-resident)</td>
</tr>
</tbody>
</table>
5. And further, in accordance with Section 1A of Chapter 75 of the General Laws
and T92-031 (Appendix E), to authorize the President to approve, no later than
April 3, 2009, final student housing rent and food service charges providing that
the average total charge to undergraduate Massachusetts resident students shall
not exceed the average rates as outlined below for academic year 2009-2010:

<table>
<thead>
<tr>
<th>Room &amp; Board (average rate)</th>
<th>Amherst</th>
<th>Boston</th>
<th>Dartmouth</th>
<th>Lowell</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$8,276</td>
<td>N/A</td>
<td>$9,670</td>
<td>$8,635</td>
</tr>
</tbody>
</table>

6. And further, to authorize the President to approve, no later than April 3, 2009, the
full schedule of rent and food service charges for all other classifications of
students, room options and meal plans for academic year 2009-2010.

7. And further, to set individual fee rates for other student fees and student
fee/revenue based operations charges not already approved by the Board for
academic year 2009-2010 at no more than academic year 2008-2009 levels with
the exception of continuing education fees and health insurance fees, which the
President is authorized to approve no later than April 3, 2009.

8. And further, that in the event the American Recovery and Reinvestment Act of
2009 restores State Appropriated Funds to the initial FY2009 level, a rebate of
this fee increase will be made to affected students. (Doc. T09-016, as amended)

The motion carried. Trustee Tocco abstained and asked for consideration of his
motion to implement a pay freeze across the University for all non-collective bargaining
employees for the next 18 months.

General Counsel Heatwole explained the collective bargaining implications which
should be addressed in an executive session. Trustee Tocco stated the need for a forum
for this discussion.

Secretary Reville suggested the Task Force study compensation issues.

Chair Karam asked that everyone lobby their Legislators and adjourned the meeting
at 9:35 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees