Chair Woolridge convened the meeting at 8:09 a.m. and welcomed new Trustees, David Fubini and James Buonomo to the Committee. He also thanked the student Trustees as this was their last Administration and Finance meeting. Chair Woolridge then stated that the Committee had been provided with draft minutes for the February 6, 2013 Administration & Finance meeting and asked for any corrections. There were no corrections and the minutes were approved.
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Reports:

Chair’s Report:
Chair Woolridge provided an update on the latest tax revenue collections reported by the State’s Department of Revenue, noting that the Administration lowered the state’s tax revenue estimates in December and the University had received a 1 percent reduction, with a total impact of approximately $5.3 million. Chair Woolridge then stated that tax revenues were over benchmarks and there was a surplus. Some of the Governor’s cuts had been restored but not those of the University or higher education, more generally.

Chair Woolridge then reviewed the agenda items for the day’s meeting.

President’s Report:
President Caret began his remarks by welcoming the new Trustees and providing an overview of the recent trends in state funding, noting the decrease from 58 percent to 46 percent in recent years. He added that while the cost to educate a student has dropped, the growth on campus along with the age of the campuses has increased other costs. Further, he stated that the University was committed to access and affordability and that other states were making commitments to higher education, including Connecticut’s recent announcement of a $1.5 billion capital investment in higher education.

President Caret stated that if the Conference Committee supports the 50/50 funding, all mandatory fees would be frozen, with exception of several fees that had already been approved by students. He reiterated that the 9C cuts had not been restored and that he was hoping that the FY14 budget would build them back in. President Caret stated that the fee votes were contingent on the outcome of the Conference Committee. President Caret then remarked on the upcoming automatic increase of the student loan interest rate and that the Massachusetts delegation was fighting hard against it.

Senior Vice President’s Report:
Senior Vice President Wilda welcomed the new Trustees and extended her thanks to the outgoing student Trustees. She then stated that she would defer her remarks until the discussion.

Action Items:

Senior Vice President Wilda reviewed the state funding request and formula for the Authorization to Allocate the FY14 State Appropriation and the request for the Approval of Mandatory Student Charges and Authorization to Approve other Charges for the Academic Year 2013-2014. Senior Vice President Wilda noted that the mandatory fee increase hinges on the outcomes of the conference committee and is the worst case scenario. She reviewed various scenarios and the potential fee increase of 4.9 percent, as well as efficiency efforts, favorable ratio of administration costs to academic costs, the decline in state support and the recent growth in institutional financial aid. Trustee Mullan inquired about the potential for tuition retention and its effect on the 50/50 plan. President Caret stated that the Senate adopted language about tuition retention as part of the conference committee and if passed, it is expected that the amount would be taken out of the state appropriation, an estimated $37M.

-2-
Trustee Mullan asked the campuses comment on the potential 4.9 percent increase. Chancellor Meehan stated that at Lowell, students recognize that state funding has decreased and that maintaining quality is important. He added that students want a degree that means something. Trustee Marvel added that a 4.9 percent increase was not sustainable for students, particularly Boston’s students, many of whom are working their way through school. Trustee Fubini asked if the University would be happy if the 50/50 were the baseline for an ever-increasing number of students. Senior Vice President Wilda stated that the intent was to base it on the number of students and align it with the growth in enrollment. Trustee Buonomo asked about the long-range plan. Senior Vice President noted that the September meeting would provide a five-year view and that messaging and positioning were a part of the ongoing strategy. She added that they were working on different scenarios and the components of cost structures for strategic initiatives. President Caret noted that at the Special Board meeting, each campus discussed their five year plan and there was also a Long Range Planning Task Force. Trustee Fubini added that there should be incentives for campuses to keep the efficiencies they generate. Trustee Buonomo concurred.

Assistant Vice President Gorzkowicz reviewed the University’s proposed FY14 Operating Budget. He first reviewed the process of working with the campuses to create the single plan. Vice President Gorzkowicz then reviewed the FY14 cost drivers and fluctuations, including: enrollment growth, increases in financial aid, capital building, the 1 percent state reduction, and Efficiency and Effectiveness efforts. He also discussed the uncertainty created by sequestration. Vice President Gorzkowicz reviewed key assumptions, which were the most conservative and outlined priorities, including enrollment demand, staffing increases and deferred maintenance and capital construction. While the $2.9B was operating on a deficit, it was a temporary financial condition and not ongoing. He added that the E&E efforts were helping, but their impacts are limited.

Trustee Mullan inquired about the partially-funded collective bargaining agreements and asked if UMass has a say in the negotiations. Chancellor Meehan stated that the state’s Administration and Finance office is the negotiator. Trustee Furman stated that a “wish list” for the state should be developed and include labor as part of it. Trustee Fubini inquired about E&E efforts and their impacts. There was a discussion about the E&E efforts and their impacts on the budget.

Trustee Fubini reiterated the need for rewards for efficiencies. Chairman Thomas noted that the efforts were more defensive than offensive, without a net benefit to the bottom line. Chair Woolridge added that it was complex because of savings in one line item and additional costs elsewhere. There was a discussion about debt service and President Caret added that the debt service is 50 percent from academic buildings. If the state took on that cost, the fees could decrease by 20 percent. There was a discussion about changes to the classified system in Wisconsin and the fact that the state of Connecticut pays the debt service.

Chancellor Meehan added that there were staff cuts on campus and that the only areas that were growing were those with capacity. Trustee Fubini stated that classroom excellence was
paramount and that those areas that did not touch students and should be the first focus of efficiencies.

Under the Quarterly Capital Projects Update and Amendments to the University’s Capital Plan, Executive Director Craven discussed the price increases on the Leitch & Bourgeois dorm renovations at UMass Lowell and the Integrated Design Building at UMass Amherst. She noted that these increases were due to strategy changes by the campuses.

Executive Director Craven reviewed the Amendment to the Edward M. Kennedy Institute (EMKI). She noted that the Board requested a revision of the vote to reflect the real cost of the EMKI project, though the University is not contributing additional funding. The Building Authority’s Board met to discuss an additional borrowing that would be paid for by EMKI. Trustee Mullan noted that vote references the Worcester City Corporation. There was a discussion about whether or not it introduces the option of using it. General Counsel Heatwole stated that it was an option and continues to be an option and would require action by the Worcester City Corporation.

Chancellor Collins reported on the Establishment of Endowed Chairs, UMass Worcester, The Myles McDonough Chair in Rheumatology and The Celia Rumsey Chair in Diabetes Research.

Senior Vice President Wilda reviewed the Extension and Modification of the System Revolving Loan Mechanism. She explained that the program finances small needs, such as software and hardware and it had originally had a cap of $40M, which was then reduced to $20M. There was a revived need for it and asked the Board to consider increasing it back to the $40M level.

Discussion Items:

Executive Director Craven provided the Building Authority Update. She described E&E efforts, including the recent borrowing, with savings of over $51.8 million in debt service over the life of the loan. The just-in-time borrowing and the commercial paper would yield $20 million in savings. She also discussed the Owner-Controlled Insurance Program and the refunding of two bonds. Executive Director Craven provided an overview of campus projects by stage and Mr. Naughton noted the substantial campus pipelines as well.

Executive Direct Craven thanked Robert Sheridan for his service as Chair of the Building Authority. She stated that the UMBA Board voted Phil Johnston as its new Chair; Paul Carney, Vice Chair; and Karen Courtney, Secretary/Treasurer.

Chair Woolridge thanked Executive Director Craven for her work on the financing. Trustee Furman asked about the just-in-time borrowing and when was the time to do taxable borrowing. Executive Director Craven stated that it was under review and that there was a need for change to statutory language.
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Trustee Furman provided the Update on the Efficiency and Effectiveness Task Force. Trustee Furman described the purchasing, IT and energy working groups and highlighted several initiatives including “Buy Ways”, solar net metering contracts, mobile devices services optimization, and land line contracts. President Caret added that the Task Force was critically important to the University gaining credibility in achieving efficiencies. Chairman Thomas asked about natural gas. Trustee Furman noted that there were LNG efforts and that the strategic energy group was looking into it. Vice Chancellor Sheehan described Lowell’s trial experience with LNG and the potential savings of $800K.

Chair Woolridge asked for a motion to approve the Authorization to Allocate the Fiscal Year 2014 State Appropriation. It was moved and seconded:

To recommend that the Board take the following action:

To direct the President to allocate the amount appropriated for the University of Massachusetts in Line Item 7100-0200 of the General Appropriation Act for Fiscal Year 2014 to the campuses and the Central Administration of the University. (Doc. T13-048)

The Chair asked for a vote and the motion passed. Ms. Lee abstained.

Chair Woolridge asked for a motion for the Approval of Mandatory Student Charges and Authorization for the President to Approve all other Charges for Academic Year 2013-2014. Trustee Collins spoke in favor of the motion in hopes of the 50/50 funding being approved. He thanked President Caret and the officers, Trustees, students, legislative supporters and the Governor for the work to date. He added that the failure to get to the 50/50 funding has consequences and sacrificing quality was not an option and therefore it would be accessibility. It was moved and seconded:

To recommend that the Board take the following action:

The Commonwealth of Massachusetts and University of Massachusetts strive to achieve a more equitable solution for Massachusetts students and their families to ensure a high quality and affordable education. The equitable solution would be for the Commonwealth to provide 50% of the cost of educating a student at the University of Massachusetts and the other 50% of the costs charged to the student. Under this 50/50 funding model the University would agree to freeze the mandatory fees for all undergraduate resident students for the next two fiscal years provided the Commonwealth appropriates at least $478 million in fiscal year 2014 and approximately $517 million in fiscal year 2015.

1. In accordance with Section 1A of Chapter 75 of the General Laws, and Policy T92-031, Appendix E, to authorize the President to approve, no later than June 30, 2013, or upon the General Appropriations Act for FY2014 becoming law, the individual rates for mandatory student charges, which includes tuition, the mandatory curriculum fee and all other mandatory student fees,
provided that the total mandatory student charges shall not exceed the total rates as outlined below for the Amherst, Boston, Dartmouth, and Lowell campuses for academic year 2013-2014:

Table One:

<table>
<thead>
<tr>
<th>Total Mandatory Student Charges</th>
<th>Amherst</th>
<th>Boston</th>
<th>Dartmouth</th>
<th>Lowell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate (resident)</td>
<td>$13,901</td>
<td>$12,552</td>
<td>$12,253</td>
<td>$12,687</td>
</tr>
<tr>
<td>Undergraduate (non-resident)</td>
<td>$27,974</td>
<td>$27,430</td>
<td>$24,156</td>
<td>$26,146</td>
</tr>
<tr>
<td>Graduate (resident)</td>
<td>$13,642</td>
<td>$14,168</td>
<td>$13,624</td>
<td>$12,039</td>
</tr>
<tr>
<td>Graduate (non-resident)</td>
<td>$27,715</td>
<td>$27,445</td>
<td>$24,156</td>
<td>$21,874</td>
</tr>
<tr>
<td>Graduate Law School (resident)</td>
<td></td>
<td></td>
<td>$23,702</td>
<td></td>
</tr>
<tr>
<td>Graduate Law School (non-resident)</td>
<td></td>
<td></td>
<td>$31,394</td>
<td></td>
</tr>
</tbody>
</table>
*Per 9 credit load

All other Mandatory Fees increase per Student Referendum

2. And further, if upon the University of Massachusetts receiving the full allotment of their base appropriation, line item 7100-0200, in an amount equal to or greater than $478 million for fiscal year 2014, the board of trustees and the President agree to freeze tuition and the mandatory curriculum fees for all undergraduate resident students at current rates. The total mandatory student charges shall not exceed the total rates as outlined below for the Amherst, Boston, Dartmouth and Lowell campuses for academic year 2013-2014:

Table Two:

<table>
<thead>
<tr>
<th>Total Mandatory Student Charges</th>
<th>Amherst</th>
<th>Boston</th>
<th>Dartmouth</th>
<th>Lowell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate (resident)</td>
<td>$13,258</td>
<td>$11,966</td>
<td>$11,681</td>
<td>$12,097</td>
</tr>
<tr>
<td>Undergraduate (non-resident)</td>
<td>$27,974</td>
<td>$27,430</td>
<td>$24,156</td>
<td>$26,146</td>
</tr>
<tr>
<td>Graduate (resident)</td>
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<td>Graduate Law School (non-resident)</td>
<td></td>
<td></td>
<td>$31,394</td>
<td></td>
</tr>
</tbody>
</table>
*Per 9 credit load

All other Mandatory Fees increase per Student Referendum

3. 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 2013-2014:
4. 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 June 30, 2013, final student housing rent and food service charges providing that the standard total charge to undergraduate Massachusetts resident students shall not exceed the standard rates as outlined below for academic year 2013-2014:

<table>
<thead>
<tr>
<th>Medical School</th>
<th>Tuition</th>
<th>Mandatory Fees</th>
<th>Total Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical School (resident)</td>
<td>$8,352</td>
<td>$14,535</td>
<td>$22,887</td>
</tr>
<tr>
<td>Ph.D/MD. (resident)</td>
<td>$2,640</td>
<td>$22,310</td>
<td>$24,950</td>
</tr>
<tr>
<td>Ph.D/MD. Years 1-2 (non-resident)</td>
<td>$9,856</td>
<td>$37,310</td>
<td>$47,166</td>
</tr>
<tr>
<td>Ph.D/MD. Years 3+ (non-resident)</td>
<td>$9,856</td>
<td>$27,454</td>
<td>$37,310</td>
</tr>
<tr>
<td>Graduate School of Nursing (resident)</td>
<td>$2,640</td>
<td>$8,307</td>
<td>$10,947</td>
</tr>
<tr>
<td>Graduate School of Nursing (non-resident)</td>
<td>$9,856</td>
<td>$8,307</td>
<td>$18,163</td>
</tr>
<tr>
<td>Grad. School of Biomedical Science (resident)</td>
<td>$2,640</td>
<td>$4,279</td>
<td>$6,919</td>
</tr>
<tr>
<td>Grad. School of Biomedical Science (non-resident)</td>
<td>$9,856</td>
<td>$4,279</td>
<td>$14,135</td>
</tr>
</tbody>
</table>

5. And further, to authorize the President to approve, no later than June 30, 2013, the full schedule of rent and food service charges for all other classifications of students, room options and meal plans for academic year 2013-2014.

6. And further, to authorize the President to approve, no later than June 30, 2013, individual fee rates for other student fees and student fee/revenue based operations charges not already approved by the Board for academic year 2013-2014.

And further, in accordance with T92-031 Appendix E the Board of Trustees authorizes the establishment of the opt-out Green Fee in the form of an opt-out check off activity at the Dartmouth campus to support sustainability efforts. (Doc. T13-049)

The Chair asked for a vote and the motion passed. Ms. Lee abstained.

Chair Woolridge asked for a motion to approve the **FY2014 University Operating Budget**. It was moved and seconded:

To recommend that the Board take the following action:

To approve the FY2014 University Operating Budget and to authorize the President to approve changes, as needed, once the General Appropriations Act for FY2014 is signed into law. (Doc. T13-034)
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The Chair asked for a vote and the motion was passed. Ms. Lee abstained.

Chair Woolridge asked for a motion to approve the Amendments for Capital Projects. It was moved and seconded:

To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, to approve the revised estimated total project cost of the following capital project at the Amherst Campus:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Total Project Cost Estimate June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hill Replacement/ Intergraded Design Building - Amherst Campus</td>
<td>$55,000,000</td>
</tr>
</tbody>
</table>

And further,

Pursuant to Trustee Policy T93-122, to approve the revised estimated total project cost of the following capital project at the Lowell Campus:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Total Project Cost Estimate June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leitch &amp; Bourgeois Residential Hall Renovations - Lowell Campus</td>
<td>$38,000,000 (Doc. T13-058)</td>
</tr>
</tbody>
</table>

The Chair asked for a vote and the motion was passed.

Chair Woolridge asked for a motion for the Amendment to the Edward M. Kennedy Institute for Study of the United States Senate Project. It was moved and seconded:

To recommend that the Board take the following action:

WHEREAS the University of Massachusetts (the “University”) and the John Fitzgerald Kennedy Library Foundation agreed in a Memorandum of Understanding dated December 19, 2003 that was authorized by the Board of Trustees on August 28, 2003 (Doc. T03-058) to lease with an option to purchase certain real estate utilized by the University of Massachusetts Boston campus to the Edward M. Kennedy Institute for Study of the United States Senate (the “Institute”);

WHEREAS the purposes of the Institute are to:

1. to educate students, the general public, and public servants about the role and importance of the United States Senate;
2. to engage the target groups in public debate by bringing them inside the legislative process through innovative and participatory educational programs;

3. to celebrate the legislative career of Senator Edward M. Kennedy and use his collected papers to focus attention on how the United States Senate shapes public policy and the nation;

4. to increase awareness of the role of the United States Senate by providing broad public access to the available papers of all Senators through an extensive digital library, available on-site and on-line; and

5. to establish a close working relationship with the University to take advantage of their proximity, to establish a world-class facility by leveraging the strengths of both institutions, and to enhance the academic and research environment available to students of the University; and

WHEREAS the University and the Institute will construct and operate a civic, academic, research, and archival institution that will have a primary focus on the study of the United States Senate (the “Project”);

Be it RESOLVED the Board of Trustees of the University hereby approve the activities of the Institute as furthering the purposes of the University, and

Be it further RESOLVED that the Board of Trustees hereby approves the Project and authorizes the President of the University and such other officers of the University as he may designate (the President and each such other officer referred to herein as an “Authorized Officer”), each acting singly, in the name and on behalf of the trustees, the University or the Commonwealth, as appropriate, (a) to effectuate the financing of one or more or all of such projects by such means as such Authorized Officer shall deem advisable, including without limitation by requesting in writing the University of Massachusetts Building Authority, the Massachusetts Development Finance Agency, or any other statutorily qualified issuer in the Commonwealth to issue debt therefor, or to request the Worcester City Campus Corporation to effectuate the financing thereof through any such issuer of debt, so long as the estimated total project cost does not exceed the estimated total project cost of seventy-eight million dollars by more than 10% (exclusive of capitalized interest, debt service reserve funds, cost of issuance of the obligations, costs of bond insurance or other credit enhancement and other cost of the financing), and, (b) in connection with any such financing, to take such actions (including without limitation the execution of the guaranty of the Commonwealth on any obligation guaranteed by the Commonwealth), secure such governmental approvals, execute such agreements (including without limitation contracts for financial assistance, management and services, contracts for management and services, leases or subleases, or real estate sales and purchase agreements) containing such provisions and provide for such terms and sources of repayment, all as such Authorized Officer shall deem advisable and as may be required or permitted by law. (Doc. T13-059)
The Chair asked for a vote and the motion was passed.

Chair Woolridge asked for a motion for the Establishment of Endowed Chairs, UMass Worcester. 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 an The Myles McDonough Chair in Rheumatology at UMass Worcester.

And further,

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to establish an The Celia Rumsey Chair in Diabetes Research at UMass Worcester. (Doc. T13-060)

The Chair asked for a vote and the motion was passed.

Chair Woolridge asked for a motion for the Extension and Modification of System Revolving Loan Financing Mechanism. It was moved and seconded:

To recommend that the Board take the following action:

To authorize the President of the University or his designee to continue to facilitate the Revolving Pool Loan Program and to borrow on behalf of the University thereunder from time to time an aggregate amount not to exceed $40,000,000 outstanding at any time, with the aggregate amount outstanding increasing and decreasing as the President or his designee shall deem appropriate to best effectuate the purposes of the Revolving Pool Loan Program and to be in the best interest of the University, provided that all amounts outstanding under the Revolving Pool Loan Program shall mature no later than November 1, 2030.

And further, to authorize the President or his designee to do any and all other things and perform any and all other actions necessary to effectuate the execution and delivery of any and all additional documents and instruments as may be necessary for the implementation of the actions contemplated by this Resolution, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by this Board. (Doc. T13-050)

The Chair asked for a vote and the motion was passed.

Chair Woolridge then asked for a motion to place the Action Items #1, 4, 5, 6 and 7 on a Consent Agenda for the Board meeting and explained that the Board can approve all these items by a single vote, and that no discussion will be permitted.
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It was moved and seconded to place the above matters on a Consent Agenda. The Chair called for a vote and the motion passed unanimously.

Chair Woolridge then asked the Committee to vote to enter into Executive Session as permitted by Chapter 30A, Section 21(6), for the purpose of discussing Real Estate Matter, UMass Lowell. Chair Woolridge stated that an executive session is necessary because an open meeting would have a detrimental effect on the University's negotiating position.

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 the purposes listed. Chair Woolridge voted for the motion as did Vice Chair Collins and Trustees Buonomo, Furman, Gomez, Thomas and Ms. Lee (representing Trustee Malone).

There being no other business, the meeting adjourned at 10:28 a.m.

Kate Wilkinson
Staff Assistant