
UNIVERSITY OF MASSACHUSETTS FISCAL YEAR 2013 STATE BUDGET REQUEST

The University of Massachusetts is required by Chapter 75, the University's enabling act, as well as some provisions of Chapter 15A (public higher education) and Chapter 29 (public finance) to prepare and submit a budget request. The state budget request is to be prepared in accordance with a funding formula. Consistent with these requirements, the University of Massachusetts requests a total maintenance appropriation of **\$501,941,458 for fiscal year 2013**. This amount would fill one-tenth of the state funding "gap," as generated by the University's budget request funding formula, as well as cover the estimated cost of all state-funded collective bargaining agreements for FY2013.

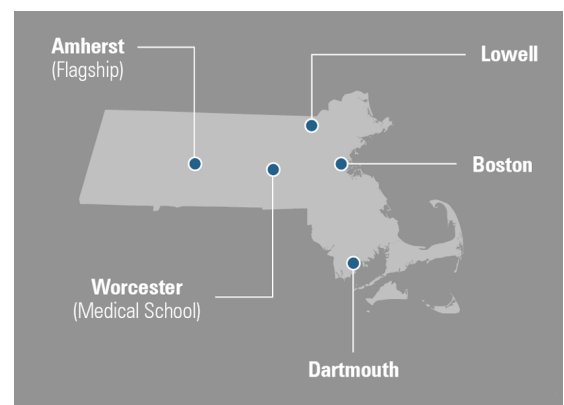
The University is mindful of the difficult fiscal environment that state leaders are facing as they develop the FY2013 state budget. We understand that the state will not be able to meet the funding needs outlined in this budget request. We also know, however, that in difficult times the citizens of the Commonwealth look to the University for an affordable, high-quality education, as well as cutting-edge research and development that can provide a vital stimulus to the state's economy.

The University has experienced fluctuations in its state appropriation for the past decade. Between 2001 and 2004, the University endured deep cuts in its appropriation. Beginning in 2004, increased appropriations to the University funded previously unfunded collective bargaining agreements, new collective bargaining agreements, and provided increased dollars in support of the general operations of the University. While appropriations recovered between 2004 and 2009, annual student charge increases were limited to changes at or below inflation. However, due to reductions in state support for FY2010 and FY2011, the student charge increases for FY2010-12 on average exceeded the rate of inflation in order to support the continued operations of the University.

The fundamental mission of the University is to provide, within available resources, the highest possible quality of instruction, research and public service to the widest possible segment of the citizens of the Commonwealth. The University is committed to providing, without discrimination, diverse program offerings to meet the needs of the whole of the state's population. The University's five campuses and UMassOnline are geographically dispersed throughout Massachusetts and possess unique and complementary missions. The University plays a positive role in the economic development of the Commonwealth, contributing over \$4.8 billion in economic activity according to a recent analysis. Our research enterprise alone brings to the Commonwealth over \$508 million in external funds.

The University has experienced overall programmatic success and financial performance in many areas, including:

- Applications and enrollments, SAT scores and high school G.P.A.s of entering students continue to improve.
- The University continues to improve its efforts to attract private funding. The University's endowment exceeded \$500 million for the first time in FY11 and ended the year with a balance of \$522 million. It should also be highlighted that the number of endowed professorships has grown ten-fold since the inception of the state funded Endowment Incentive Program.
- Revenues from licensing and patents of university research generated over \$40 million in FY2010.
- Investments in capital and technological infrastructure increase



each year to support a rolling five-year capital plan of \$3.1 billion.

Like other public universities across the country, the University of Massachusetts is facing declines in state support. Since FY2009, the University's general state appropriation has declined by 14%. In FY10, the cuts were fully offset by State Fiscal Stabilization Funds. In FY11, only a portion of the cuts were offset by SFSF. Cost-cutting measures were implemented across the University, including employee reductions through hiring freezes, attrition and lay-offs. When factoring in the base state appropriation, additional budget line items, federal stimulus funding, and the \$5.5 million provided for collective bargaining contracts, the University's FY11 state support was approximately \$472 million. In FY12, a similar review of state funding illustrates that the state support provided to the University declined by approximately \$36 million to \$436 million. In addition, the state didn't provide the \$13.4 million needed to cover the estimated cost of the second year of the collective bargaining contracts negotiated under parameters set by the Commonwealth. [Appendix B](#) updates and describes the short and long-range strategic goals of each campus highlighting the University's effort to better serve the Commonwealth's interests in FY2013 and beyond.

For FY2013, the cost of the second and third year of the University's collective bargaining contracts will total \$27.6 million. The base state appropriation of \$501.9 million requested by the University would cover these costs, as well as one-tenth of the total funding required to close the funding formula gap.

Providing an affordable and accessible education of high quality is an important part of the University's mission and adequate funding of the state's financial aid program is necessary to insure that every qualified student has the opportunity to attend. This is why the University is very supportive of efforts to preserve and increase funding to the state's need-based financial aid programs, particularly the Mass Grant and cash grant programs.

The level of state support requested for FY2013 is vital to the overall success of the University and will allow the University's five campuses to continue to provide high quality and accessible education, cutting edge research, and valuable public service and economic development programs to the citizens of the Commonwealth.

In addition to the maintenance appropriation request, the University is requesting support for the very successful endowment incentive program and support for the University line items listed below.

UNIVERSITY LINE ITEMS

The University is requesting renewed or restored support for separate line item appropriations for the Commonwealth Honors College, the Star Store and Advanced Technology and Manufacturing Center programs, the Toxics Use Reduction Institute, the Massachusetts Office of Public Collaboration, and the Edward J. Collins, Jr. Center for Public Management. These requests have historically been funded in distinct budget line items.

1. Commonwealth Honors College **Amount: \$3.63 million**

Beginning in FY1999, the state included a separate line item appropriation to support the development of the Commonwealth Honors College at Amherst. Due to the severe economic difficulties facing the state, this line item was eliminated from the budget for fiscal year 2010. The University is requesting re-funding of this line item in FY2013.

The College's mission is to provide an excellent and affordable education to academically talented students from all backgrounds and to prepare them for responsible engagement in society by fostering intellectual curiosity, interdisciplinary analysis, and academic rigor within a supportive, socially-just community. We have used the state funding appropriately to provide excellent courses with small student enrollments and to provide students with the opportunity to create new knowledge consistent with a Research Intensive University. Specifically, for example, 72 percent of the College budget is used for the direct benefit to the students, including faculty instruction, advising, and student scholarships.

2. New Bedford College of Visual & Performing Arts (Star Store) facility Amount: \$3.7 million

In 2001, the College of Visual and Performing Arts at UMass Dartmouth opened its Star Store campus in downtown New Bedford, Massachusetts. The redevelopment of the facility has been credited by local officials with sparking the renovation of numerous nearby buildings and breathing economic and cultural life into the neighborhood. The facility brings dozens of faculty artists and hundreds of students to downtown New Bedford every week.

This state-of-the-art facility is home to hundreds of artists working in a variety of disciplines and has developed strategic partnerships with New Bedford arts organizations such as the Zeiterion Theater. The Star Store is also home to a number of impressive exhibition spaces--most notably the University Art Gallery, which features exhibitions of local, national, and international renown. The facility includes administrative and academic office space, provides learning spaces for Bristol Community College, and provides quality meeting space for community organizations.

Today, the Star Store continues to be a vital component of downtown New Bedford's emergence as a cultural and academic hub. In 2004, the Star Store was joined in downtown by the UMass Dartmouth Center for Professional and Continuing Education.

3. Fall River Advanced Technology & Manufacturing Center Amount: \$1.9 million

The Advanced Technology and Manufacturing Center (ATMC) provides infrastructure for early-stage and transition companies as they grow and mature. The ATMC is the site of between 10-15 start-up companies and a satellite manufacturing center for Avant Immunotherapeutics, one of the Commonwealth's fast-emerging bio-tech companies. The ATMC was also a major selling point in the city's successful bid to attract a 600-job medical software company (Meditech) to neighboring property. Meditech also located a portion of its workforce at the ATMC as its new facility was being constructed. UMass Dartmouth has played a significant role in helping the company identify its southeastern Massachusetts workforce.

The primary objective of the ATMC is to provide an environment where technology companies will develop into employers located in Southeastern Massachusetts. By attracting these companies to the ATMC, the University facilitates the economic growth of the region. Participating companies benefit from an environment that includes quality space, complete facilities and support services, technical and business expertise, and proximity to other companies facing similar challenges. Access to UMass Dartmouth faculty and staff, as well as the fully-equipped research laboratories, is one of the most beneficial resources. Additionally, business and technical support is available from the UMass Dartmouth. The services include strategic and business planning, financial and capital planning as well as market research. The University will also help with legal and intellectual property issues as needed. The Center has established commercial alliances with accounting, legal, human resources and funding organizations. The ATMC also provides a wide array of intern and work experiences for UMass Dartmouth students.

The Technology Venture Center also provides an excellent networking environment for the southeastern Massachusetts business community. The ATMC's Conference Center frequently hosts technology conferences and forums that attract local and national industry leaders, entrepreneurs and others who invest in and work with growing companies. One of this year's most important forums was a day-long presentation by the National Sciences Foundation about opportunities for higher education institutions to attract federal investments in innovation.

4. Toxics Use Reduction Institute (TURI)

Amount: \$1.66 million

The Massachusetts Toxics Use Reduction Institute (TURI) at the Lowell campus was created to promote reduction in the use of toxic chemicals and the generation of toxic by-products in industry and commerce in the Commonwealth of Massachusetts and has received a separate line-item appropriation for a number of years.

In the FY2009 budget, the Governor and the legislature included an earmark for Breast Cancer Prevention Research, with a corresponding increase in the appropriation, for \$250,000. That earmark and \$250,000 was cut in October of 2008 under the Governor's 9C budget balancing authority. In FY10, the TURI line item was eliminated altogether during the budget process. In FY11 and FY12, funding for TURI was restored as an earmark in the Executive Office of Energy and Environmental Affairs Toxics line item in the amount of \$1,657,449. The University is supportive of continuing this funding arrangement in FY13. TURI is a valued and integral part of the Lowell Campus and the University would like FY2013 to remain level at \$1.66 million.

5. Massachusetts Office of Public Collaboration- Operating Funds

Amount: \$325,431

The MA Office of Public Collaboration is seeking state operational funding to continue to carry out its statutory state-wide mission as the state dispute resolution office pursuant to G.L. Ch. 75, Section 46. The office's public mandate is to assist the three branches of government (executive, judicial and legislative), municipalities and public authorities with the design and administration of dispute resolution programs, mediation of public policy disputes, and facilitation of collaborative problem-solving and community involvement on contentious public issues. MOPC serves as a neutral forum and state-level resource for skilled assessment, systems design and process management services, and expedites access to qualified mediators and collaborative practitioners for service on public contracts. The office provides training for public officials and emerging public policy practitioners, research opportunities for faculty, and experiential learning opportunities for students. MOPC works in partnership with university departments and institutes, private practitioners, community mediation centers across the state, and national networks of experts in the fields of public policy dispute resolution, collaborative governance and deliberative democracy. The office needs state operational funding to cover core management positions and to provide required in-kind state matches on federal grants, fee-for-service contracts, and other types of extramural funding. MOPC's work builds collaborative capacity within government and communities and results in cost savings to the Commonwealth and its citizens.

6. Massachusetts Office of Public Collaboration - Community Mediation Center

Amount: \$1,249,500

Community mediation is a cost-effective public service delivered to citizens in need by community members themselves. Community mediation is an effective conflict resolution and prevention mechanism that increases access to justice for low-income and marginalized populations and builds community capacity, relationships and social capital. For over 30 years, community mediation centers in MA have mediated a wide-range of disputes referred by courts, schools, businesses, local governments and private citizens including consumer, housing, small claims, criminal, juvenile, divorce, family and neighborhood conflicts. The economic downturn in recent years has increased demand for community mediation services but instability of funding streams and lack of dedicated operational funding have threatened the continued survival of community mediation centers. In response to this situation, the Legislature commissioned the MA Office of Public Collaboration to conduct a study on the effectiveness of community mediation as a public service and to develop a state-of-the-art framework for administration of state operational funding to community mediation centers.

The proposed framework MOPC developed is based on successful models from other states and current conditions in MA. The framework provides for a university-based, state-wide grant program to be established by statute through an outside budget section and to be funded through a state appropriation of \$1.25 million in a separate line item. The funding would provide performance-based operating grants to community mediation centers based on eligibility criteria, a proven track record and a requirement for matching funds. This framework would promote the

mission of community mediation and provide a mechanism to implement that mission in all regions of the Commonwealth. The proposed grant program would be a leveraged investment, generating cost-savings to state agencies, the courts, the police and schools, as well as to individual citizens, and leveraging significant in-kind resources, cash matches and funding from outside sources. The proposed grant program would be built upon existing infrastructure that the state has already invested in for years at the state and local levels. Re-investing in existing resources would leverage relationships with sponsors, funders and champions and support existing programming in courts, schools and communities. Placement of the grant program within higher education would effectively deploy existing state resources, enables access to academic researchers and students, and provide an institutional platform for on-going outreach, education, training, evaluation, research and fundraising. Fourteen MA centers have joined together with MOPC in requesting the proposed university-based state-funded grant program as a joint solution to their operational challenges and as a means to ensure that MA citizens in need continue to have access to services.

7. Edward J. Collins, Jr. Center for Public Management **Amount: \$541,000**

The Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts at Boston's McCormack Graduate School of Policy Studies is requesting funding of \$541,000 for its operations in FY2013.

This level of funding will allow the Center to continue providing Massachusetts state and local governments with cost-saving, revenue-enhancing, and performance-improving services. These services include assistance to Massachusetts municipalities to achieve savings through consolidated purchasing, service exchanges, governance reforms, cost-saving technologies, and incentive programs, as well as revenue-enhancement support. Through this work, the Collins Center is helping to relieve serious fiscal pressures faced by Massachusetts municipalities.

In addition, the Collins Center will continue its work to help governments in Massachusetts understand how to improve their effectiveness, efficiency, and accountability to the public with performance measurement and better analysis. The Center has also conducted and will continue to conduct executive searches and short-term executive placement services for cities and towns. The Collins Center will conduct research useful to legislators and government managers, including documenting lessons learned and identifying useful models worthy of replication. It will also develop and deliver practical management tools useful to all levels of government.

The Collins Center has begun to offer executive education classes in public management and finance. It will also strengthen its capacity to help Massachusetts governments recruit a strong and diverse workforce and retain them. As needed, the Center will serve as a catalyst to examine issues needing attention and advance needed reforms.

I. TOTAL FORMULA FUNDING NEED **\$1,843,093,074**

II. CURRENT NON-STATE REVENUES

Tuition & Fees Revenue (net of scholarship allowances)	\$597,420,000
Other Non-Operating revenues (unrestricted)	\$92,313,407

TOTAL CURRENT NON-STATE REVENUES **\$689,733,407**

III. NET STATE SUPPORT NEEDED (I-II) **\$1,153,359,667**

IV. CURRENT STATE SUPPORT (FY12 est.)

State Maintenance (plus retained tuition)	\$445,988,309
Stimulus Funding (FY12 only*)	\$0
Fringe Benefits (FY2012 actuals)	\$143,640,637

TOTAL CURRENT STATE SUPPORT **\$589,628,946**

V. ADDITIONAL FUNDING NEEDED -- "The Gap" (III.-IV.) **\$563,730,721**

(less Strategic Priority Funding/Elimination of Stimulus Funding)

Requested State Budget Appropriation Increase to Close the Gap in 10 years	\$56,373,072
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FY2012 State Appropriation (does not include Tuition Retention)	\$417,982,753
FY13 Costs of Year 2 of Coll. Barg. Contracts	\$13,400,000
FY13 Costs of Year 3 of Coll. Barg. Contracts	\$14,185,633

** We expect to also seek support for first year of new contracts - \$11.4 million (subject to separate approp.)*

	Requested Increase	\$83,958,705
Total Requested FY2013 Maintenance Appropriation		\$501,941,458

Appendix A: Fiscal Year 2013 Budget Request Funding Formula Summary

Formula budgeting for the University of Massachusetts takes a bottom up approach to determine the total cost of core activities funded by the state and other unrestricted revenues sources, primarily students: instruction, research, public service, etc. Its aim is to determine how much it costs to do these things well.

The formula was initially developed in the early 1990s during the time when the University was coming together as a five campus system after the 1991 reorganization. The formula was used to inform the University's annual state budget request and the allocation of state appropriations decisions from FY1994 through FY2002. Reductions in state support for the University and continuing economic instability necessitated a different approach for the FY2003 and FY2004 state budget requests. For those two annual budget requests, the University sought level funding and appropriations to support collective bargaining contracts from the Commonwealth only. The University ran the funding formula with updated data for the preparation of the FY2005 through FY2012 state budget requests and has run the formula again to inform the FY2013 state budget request. The total funding formula determined need to deliver core University programming is **\$1,843.1billion**.

Each component of the formula was initially built based on a review of practices, national norms, the experience of comparable institutions, as well as a review of formulas in place in other states during the early 1990s. Development of the funding formula is an evolving process. The assumptions and norms used have been updated and some factors have been adjusted incrementally over time. It is expected that further refinements will be incorporated, providing even better information about what we do, what the costs are, and how they compare with costs at other institutions and nationwide. Despite this ongoing assessment, however, formula budgeting should help provide a measure of stability and regularity to the University and state budget processes over time.

The formula looks at activities funded from unrestricted sources of revenue (primarily state and student revenue) that are available to support core activities. The state share includes the state maintenance appropriation and fringe benefit support. Other unrestricted revenues include: student revenues from mandatory fees and credit for tuition waivers, research overhead funds, investment income, and other sources of unrestricted revenues. Other sources of funds are excluded from the formula including revenues from restricted sources such as grants and contracts and auxiliary operations.

Student/faculty ratios are the key drivers of the formula. The instruction component begins by calculating the number of instructional lines needed to carry out the basic mission of the institution at each level of instruction:

Lower division undergraduate	22.5 to 1
Upper division undergraduate	15.0 to 1
Masters	7.5 to 1
Ph.D.	4.5 to 1

The ratios for each level of instruction are applied to actual enrollments to yield the total number of instructional lines needed. Most of the other cost components are driven from the instructional component.

Medical School funding is based on a similar formula. Costs of instruction and research per medical student are based on average comparable costs at other public medical schools nationwide. Other formula costs are calculated using the same methods as in the main formula.

Fiscal Year 2013 Budget Request Funding Formula Detail

Overview

The formula is made up of ten key components, the core of which is a set of standard activities defined by the federal government and used by all institutions of higher education in financial reporting. Several other components have been included that relate more particularly to features of higher education funding in Massachusetts, or to the structure of the University itself such as a separate formula calculation for the Medical School. The data used to prepare the formula request represent a combination of actual experience over the last three years, and comparative experience nationwide and at comparable public universities.

General Notes

Hold Harmless

The funding formula is used to inform the state budget request and campus allocation processes. It is the policy of the University to hold campuses harmless in that current level of state support will not be reduced based on formula results. However, the distribution of state appropriated dollars above the previous year's base may be distributed by the Board of Trustees and President of the University to the campuses based the results of the funding formula.

Fringe Benefits

Fringe benefits are counted both as a revenue and expenditure wherever appropriate. The overall fringe rate used is 34.792, which includes the FY2012 Massachusetts rate of 32.98% plus additional costs not covered in that rate.

Component Detail

Instruction

The instruction component represents a major portion of the formula, reflecting as it does one of the highest priorities of the University. It includes costs of all instructional activities and programs. Instructional costs have been built into the formula in four major areas:

Faculty Resources

The instruction component begins by calculating the number of instructional lines needed to carry out the basic mission of the institution at each level of instruction (lower division undergraduate; masters and doctoral). Initial guidelines for differentiating the number of faculty needed at each of these levels were based on the advice of the National Center for Higher Education Management Systems (NCHEMS), when the formula was originally developed in the 1990s. These guidelines were based on a broad understanding of standard practice at universities nationwide.

The ratios for each level of instruction were applied to the annual student credit hour enrollments to yield the total number of instructional lines needed.

Lower division undergraduate	22.5 to 1
Upper division undergraduate	15.0 to 1
Masters	7.5 to 1
Ph.D.	4.5 to 1

The dollar need for faculty resources was determined by multiplying the number of faculty lines needed by the average faculty salary. An additional 33.73% was added to this amount for fringe benefit costs. This represents the current state rate for fringe benefits – 31.82% -- plus 1.91% for estimated costs of additional fringe benefits not covered by the state, such as health insurance and unemployment insurance contributions.

Teaching Assistants

In addition to full and part-time faculty, a significant role in any research university is played by teaching assistants (TAs). The formula determines needs for teaching assistants by maintaining the current ratio of TAs to faculty, even though graduate activity is increasing university-wide. TAs currently make up approximately 10% of total instructional lines at the University, therefore 10% of the need for instructional lines as determined by the formula was assumed to be covered by TAs. Costs for TAs were calculated by taking the full-time equivalent value of an average TA stipend and multiplying that amount by the total FTE TA lines needed. The total cost of supporting TAs includes tuition and fee waivers as well as stipends. Therefore the average cost of providing waivers was also added to the total TA cost.

Support Staff

In addition to looking at an adequate level of instructional positions for the number of students we serve, the formula looks at an average ratio of support staff to instructional personnel. The support staff ratio is calculated at 27% of the total FTE instructional personnel needed. This percent is based on an estimate used in previous formula assessments at the University. The number of FTE support staff determined in the formula is multiplied by the average University support staff salary. An additional 27.8% of salary cost was added to cover fringe benefit costs.

Equipment/Supplies/Other Support Costs

The final area of funding for instruction is the calculation of other instruction related costs: equipment, supplies, and other support costs (these include cost of student workers and other non-benefited employees who are not counted elsewhere). The rate per FTE instructional line was calculated based on FY2009 expenditures.

Research

Research is a unique University mission, in terms of the scope and breadth of activity. A senior level university's research programs advance knowledge, understanding, and quality of life, thereby addressing a wide variety of social and economic needs. Funding from this component will serve to support current and future research activity including supplies, equipment, lab technicians, computer programmers, grant development personnel, administrative costs and other related costs that involve research. The research component is comprised of two factors: one that provides support to campuses already strong in generating externally sponsored research dollars, and one that supports non-sponsored research along with the development of new research activities.

The first factor provides a modest match of sponsored funds at the rate of \$.15 for each sponsored dollar brought into the University (15% of total grant and contract revenues less indirect costs recovery funds). The second factor is calculated by taking 3% of the dollars generated in the instruction component of the formula and is aimed at providing support of non-sponsored departmental research as well as developmental funds for future research. Both of these were standard methods used for calculating support of research activities in formulas in place elsewhere in the country at the time when the formula was initially developed.

Public Service

Public service is another key area of activity for the University. It includes use of University expertise and personnel to provide service to the state and the communities and regions immediately surrounding our campuses,

and is part of the historical tradition of Public Land Grant Universities. Support for public service is calculated in the formula by taking 3% of the total generated in the instruction component of the formula.

Academic Support/Student Services

Academic support and student services have been combined into a single component. This includes support of libraries, computer labs, and student services key to successful retention and graduation of students. The combined rate per headcount student was determined by looking at equivalent average expenditures for groups of comparable peer institutions.

Plant Operations and Maintenance

Plant operation and maintenance is an area of particular concern because of the need to improve and maintain our assets. The calculation of costs for the plant component has several factors: utility costs, costs of maintaining buildings and grounds, and renewal and adaptation of plant. None of the calculations for the plant component includes the cost of maintaining properties used to run auxiliary operations such as dormitories, dining halls, or bookstores. It is assumed that the revenues from these operations cover maintenance costs. Also not included in the formula, but clearly a growing cost for the University, is the cost of debt service that supports the University's non-auxiliary capital program. In FY2010, the University expended approximately \$123 million on debt service payments for improvements to core academic and research facilities and the infrastructure needed to support those activities.

Utility costs are calculated by taking a three-year average of actual expenditures. The purpose of averaging is to avoid large swings in expenses reflective of climatic differences from one year to the next. Costs of maintaining buildings and grounds were determined using industry standards that approximate salary and supply costs needed per gross square foot for buildings (\$4.39 per GSF) and per acre (\$6,944 per acre) for grounds maintenance.

The final factor in the plant component is renewal and adaptation. A continuous program of repair, rehabilitation and adaptation of our existing physical assets is critical to the overall success of the University. In previous years, the annual cost factor for adaptation and renewal was calculated based on 10% of the total replacement value of the physical plant estimated at \$136.38 per square foot. For the FY2009 formula, the annual cost factors changed from a 10% annual cost factor for adaptation and renewal to a 3% cost factor for adaptation and a 2% for cost factor for renewal. These percentages are based on the total replacement value of the physical plant estimated at \$292.00 per square foot. This change in the calculation is used by the Board of Higher Education in its funding formula and is based on an industry standard. For both the FY2010 and this year's formula, the renewal and adaptation factor was again calculated based on the 3% and 2% figures.

Financial Aid

The Scholarships and Fellowships component is calculated by taking 20% of total billed tuition plus mandatory fee revenues. This is comparable to methods used in formulas in place elsewhere. The percentage used is also an estimate of costs of providing financial aid to current students and is, we believe, a reasonable calculation of funding needs relative to the state's access mission for public higher education. This calculation does not include the cost of providing mandatory tuition waivers.

Institutional Support

Institutional support includes the overhead/management costs of operating the University. This component is calculated by taking 6% of the total of all other components (not including strategic priority funds). This method is also used in other formulas elsewhere in the country, and is considered a reasonable means of calculating the cost of providing all other services and programs that make up the balance of the formula.

Medical School Funding

The University of Massachusetts Medical School has produced a parallel formula to that for the rest of the University, which incorporates national information on expenditure levels for instruction and research at public medical schools. Data are gathered from other public medical schools in the United States and are reflective of the average instructional costs per medical student at those schools. The remainder of the Medical School formula mirrors the methods used in calculating costs for the rest of the University.

Strategic Priority Funding

This component is also a feature of the University's funding request. It provides for the dedication of a portion of the budget to mission-related priorities. These are areas in which the University feels it is critical to focus energy and resources in order to strengthen existing programs and develop new ones in areas of key University and statewide priorities. Strategic priority funds would be used to support programs in the areas of economic development, environmentally sound production methods, increased student access and retention, and increased involvement with K-12 public education. The component is calculated by taking 4.5% of the formula's bottom line. Information provided by NCHEMS when the formula was first developed indicated that this percent can vary from 3% to 10% of the total budget, with a reasonable starting point in the range of 4% - 5%.

Obviously, given the current fiscal environment and the immediate need to support the continued funding of our collective bargaining agreements, strategic priority funding may need to be considered on a go-forward basis rather than incorporating this component into the FY2012 request.

The following table summarizes the results of the running the funding formula. Attachment 1 provides a more detailed analysis of the components of the formula. The total need determined by the formula is \$1,745.4 billion. This represents a level of support that should be available to deliver the core teaching, research and service mission. Current levels of state and non-state revenue support meet all but \$552.6 million when removing the strategic priority funding component. This number represents the "gap" that the University seeks to fill in part with its FY2012 state budget request.

* no stimulus (SFSF) funds are expected to be available for FY12.

**University of Massachusetts
FY2013 Budget Request & Formula Analysis**

I. TOTAL FORMULA FUNDING NEED	\$1,843,093,074
II. CURRENT NON-STATE REVENUES	
Tuition & Fees Revenue (net of scholarship allowances)	\$597,420,000
Other Non-Operating revenues (unrestricted)	\$92,313,407
TOTAL CURRENT NON-STATE REVENUES	\$689,733,407
III. NET STATE SUPPORT NEEDED (I-II)	\$1,153,359,667
IV. CURRENT STATE SUPPORT (FY12 est.)	
State Maintenance (plus retained tuition)	\$445,988,309
Stimulus Funding (FY12 only*)	\$0
Fringe Benefits (FY2012 actuals)	\$143,640,637
TOTAL CURRENT STATE SUPPORT	\$589,628,946
V. ADDITIONAL FUNDING NEEDED -- "The Gap" (III.-IV.)	\$563,730,721
(less Strategic Priority Funding/Elimination of Stimulus Funding)	
Requested State Budget Appropriation Increase to Close the Gap in 10 years	\$56,373,072

University of Massachusetts • FY 2013 State Budget Request

**ATTACHMENT I
UNIVERSITY OF MASSACHUSETTS
FY2013 BUDGET REQUEST FORMULA: COMPONENT ANALYSIS OF TOTAL FORMULA NEED (IN MILLIONS)
(INCLUDING MEDICAL SCHOOL)**

Formula Component	Total Need	% of Total	Method of Calculation
INSTRUCTION Includes salaries and fringe benefits for faculty and instructional support staff, and costs for teaching assistants. Also includes funds for instructional equipment, supplies, and other support costs.	\$836.6	45.4%	FTE students/staffing ratios=FTE instructional lines (faculty and TA's) FTE faculty X average salary = faculty salary costs FTE faculty x fringe rate ('12) = faculty fringe costs FTE TA lines x average stipend = TA stipend costs FTE TA lines x average waiver = TA waiver costs Instructional lines x support staff ratio = FTE support staff FTE support staff x average salary = support staff salary costs FTE support staff x fringe rate ('12) = support fringe costs Instructional lines x average actual cost per instructional line = equipment/supplies/support costs
PLANT OPERATION AND MAINTENANCE Includes expenditures for building and grounds maintenance and utilities as well as funds for renewal and adaptation of plant.	\$375.8	20.4%	Utilities: actual costs (3-year average) Building Maintenance: \$4.39 per GSF Grounds Maintenance: \$6,944 per acre Renewal Costs: 3% of estimated replacement cost Adaptation Costs: 2% of estimated replacement cost
ACADEMIC SUPPORT/STUDENT SERVICES Includes support for libraries, computer centers, AV services, as well as expenditures for admissions, registrar, student counseling, etc.	\$281.9	15.3%	\$ 1,8958 to \$3,979 per HC student (CAMPUS peer averages)
FINANCIAL AID Includes support of financial aid programs except mandatory tuition waivers.	\$121.8	6.6%	20% of sum of total fiscal year billed tuition and mandatory fee revenues
INSTITUTIONAL SUPPORT operations, data processing, personnel, legal counsel, etc.	\$104.3	5.7%	6% of all other component costs (Instruction, Research, Public Services PO&M, etc.)
RESEARCH Provides matching support of current sponsored research activity plus support of non-sponsored departmental research and start-up costs for new research.	\$97.5	5.3%	15% of sponsored research dollars (3-year average) 3% of Instruction
PUBLIC SERVICE Supports non-instructional services to groups and individuals outside the University.	\$25.1	1.4%	3% of Instruction
TOTAL FORMULA NEED	\$1,843.1	100%	
TOTAL CURRENT NON-STATE REVENUES	-	\$689.7	
NET STATE SUPPORT NEEDED		\$1,153.4	
CURRENT STATE SUPPORT	-	\$589.6	
ADDITIONAL FUNDING NEEDED -- "The Gap"		\$563.7	

Appendix B: FY2013 University Mission & Strategic Related Goals Update

University of Massachusetts – Mission & Strategic Related Goals

The 5-campus University of Massachusetts system was created in 1991 following the release of a report entitled, “Learning to Lead: Building a World Class Public University in Massachusetts.” The essence of the report, crafted by a distinguished panel of experts led by former University of California President David Saxon, was that the effectiveness of a cohesive five-campus University system would be greater than the sum of its parts.

In recent years, the University increased annual private support, licensing of UMass research and external research funding. Meanwhile, the academic profile of our incoming freshmen continued its steady improvements as has the growth in applications at all campuses.

The continued ascendance of UMass, however, will require stable state support. To sustain quality, UMass must be equipped to compete for non-state funds that create the University’s margin of excellence. Stable state support is necessary to keep UMass competitive.

Private donors – individuals, corporations, and foundations – give to quality rather than need. They are unlikely to continue making substantial contributions if they come to believe they are only filling gaps created by state budget cuts. Research licensing funds – generated by moving UMass science into the marketplace – arise from the quality of the faculty and facilities on our campuses. Likewise, increases in external research funding (federal, corporate, etc.) are a direct result of the quality of the faculty and facilities on our campuses. In all three cases, stable public support is necessary if UMass is to make a strong case for non-state investment.

Also, the University’s ability to attract and provide access for the academically talented sons and daughters of Massachusetts is based on the quality of the faculty, staff and facilities on each campus, and our ability to keep student charges competitive with our northeast peers. Stable state support will be critical to sustaining quality and access in the future.

The University has set some ambitious goals for the coming years to support the core teaching, research and public service missions, including:

- Expand external research funding
- Raise the endowment of the University
- Invest in infrastructure improvements
- Enhance and improve the student experience by investing in programs of distinction at all of our campuses

The following sections are excerpted from campus updates to their strategic and mission related goals reports for FY2013.

University of Massachusetts – Amherst

The strategic goals of the Amherst campus have been outlined in the Chancellor's framework for excellence issued in Spring 2009. The campus has initiated strategic plans in order to achieve the two overarching goals of enhancing the student educational experience and securing and supporting the best faculty possible.

In the near term, the campus will have diminished resources to achieve these aims. The state appropriation has been reduced over \$35 Million since FY09 and the campus initiated budget cuts of \$29 Million over the past three fiscal years. Larger budget cuts have been averted due to the infusion of federal stimulus funding. To mitigate the level of budget cuts necessary to balance the budget, the campus is moving aggressively to expand its revenue base, and reduce its reliance on state funding. The campus has increased revenues over \$22 Million towards general operations since 2009 through increased cost recoveries, continuing education and enrollment management and will continue to leverage these and other opportunities to position itself for a long-term future of instructional and research excellence.

The University of Massachusetts Amherst presently enjoys the largest undergraduate enrollment in its history. In terms of academic achievement, this current cohort is also its most accomplished. If historic trends continue, more than half of our students will remain in Massachusetts past graduation. This all speaks to this institution's important role in building a vibrant state economy and underscores why the current fiscal difficulties cannot disrupt the campus from carrying out its vital educational mission.

Goal #1: Enhancing the core teaching and research mission by attracting and retaining top faculty

Before the FY09 fiscal crisis began, the campus had been devoting its annual share of incremental state appropriations to restore faculty strength on the Amherst campus after more than a decade of decline. Teaching capacity has been enhanced in those colleges and departments that were the most significantly understaffed for the number of students enrolled and new positions have been added in areas exhibiting promising research strength and funding opportunities. Budget cuts will reduce instructional capacity, although limited strategic faculty hiring will continue to better match instructional supply and demand and to expand the capacity of units demonstrating strong research or creative potential.

Goal #2: Provide services to support student retention and student success

Students succeed when services and activities that promote academic achievement operate in collaboration and with considerable integration with those programs that promote student extracurricular and social development. The measure of success in this coordination and integration is improved student retention and eventual graduation. The most important time for this work is during the first year of a student's academic career on campus. The Amherst campus implemented a new student orientation program this fall and continues the First Year Experience program in the residence halls to give students the right combination of support to ensure their academic and personal success. The one year retention rates of entering full-time first year students has been 89% in each of the past two years - the highest rates in over fifteen years.

In addition, by focusing on access and affordability, the campus will continue to recruit high quality students to ensure a diverse and academically capable student body that represents the college going population of Massachusetts. Before FY 2009, tuition and mandatory student fee increases for in-state students had increased by no more than 3.5% a year while institutional funding of need-based aid had risen on average 9% annually over the same span. While the university has been forced to increase tuition and fees over the past two fiscal years, institutional need-based financial aid has increased approximately 20% each year to offset the increases for our neediest students.

Goal #3: Renovate and renew campus space

The restoration of faculty numbers must be accompanied by the renovation and renewal of campus space. This is happening as the campus has added significant buildings including historic Skinner Hall – the new home of the Nursing Program, a new Studio Arts building, the Integrated Science Building and the new Recreation Center.

State funding has been secured for portions of the new science and academic buildings. The campus also plans on building new dormitories to house an increased student population.

Despite this very tangible progress in transforming parts of the campus, the deferred maintenance backlog on this campus still far exceeds the deficiencies faced by peer institutions. Without continued large investments toward eradicating this \$1.7 billion backlog, the campus will be forced, within the next five years, to close some academic buildings because they will no longer be functional. This possibility only increases the urgency for new state-funded academic buildings to address the campus' acute shortage of suitable classrooms and teaching labs.

The case has been made by the Governor and others that the Massachusetts economy is a “knowledge economy” that depends on a vibrant flagship campus to produce the next generation of skilled workers. The campus has been a good steward of its resources, working to restore faculty strength at UMass Amherst, making critical infrastructure improvements, and striving to keep its tuition costs accessible to all qualified students. Despite the very significant loss of state revenue, the campus remains committed to making progress on its strategic goals, but over the long term a sustained investment of state operating and capital funding is required if this campus is to fully carry out its obligations to the state and its citizens.

University of Massachusetts - Boston

With a growing reputation for innovative interdisciplinary research addressing complex urban issues, and a remarkable range of opportunities for both undergraduate and graduate students, the University of Massachusetts Boston proudly speaks of itself as “a research university with a teaching soul.” Our students benefit not only from a closeness of faculty attention rarely found at major universities, but also from immersion in the multiplicity, creativity and vitality of a great American city. As the only public university campus in greater Boston, we are committed to keeping first-rate education within reach of our diverse student population and to actively engage our local, national, and international constituents through academic programs, research centers and public-service projects.

We are in a time of great excitement at UMass Boston. Our campus has experienced unprecedented enrollment growth, created new academic programs, and grown externally-funded research and contracts to \$50M. Even in a very difficult economic climate, we have protected and advanced our educational capacities while balancing our budget each year. In addition, UMass Boston is moving forward to rebuild its campus through its master plan, including, during the next few years, opening a new Integrated Sciences Center, a general academic building and the Edward M. Kennedy Institute for the US Senate. And acquisition of the 20-acre former Bayside Exposition Center property gives us wide-ranging options for the future.

Through revenue growth, resource reallocation and prudent expense management, UMass Boston's FY12 budget continues to invest in building a stronger academic institution. The \$25 million in new investments approved in the FY12 budget includes:

- Adding 15 new tenure-system faculty lines
- Increasing institutional support for research
- Funding initiatives to improve retention and graduation rates
- Increasing our commitment to financial aid
- Moving forward on our master plan and facilities improvement projects
- Maintaining a rainy-day fund for unexpected financial commitments or funding shortfalls.

BUILDING MOMENTUM

Students

UMass Boston's enrollment reached 15,741 this fall, an increase of 27% in the past five years. And we see evidence that the Boston campus will continue to be an attractive option for students. Over 1,500 prospective students attended the recently held annual Open House at the Boston campus, a 5% increase compared to last year's event. The 1,518 potential students and their 1,338 guests enjoyed an opportunity to learn about the high quality education and exciting opportunities available at UMass Boston. Consequently, we expect our student numbers to continue to grow and are projecting enrollment of 18,000 in FY15.

The most interesting stories about the UMass Boston student body, however, are not about its size but its composition. Our student body represents widely varying social, cultural and ethnic backgrounds and a range of previous educational experiences. For example, over one-third are people of color. While the overall percentage of minority students has declined slightly since 2005, the Hispanic student population has risen from under 11% to more than 14%. Our students come from 140 countries, and at home they speak 90 languages.

As the 2008 findings of the National Survey of Student Engagement (NSSE) confirm, our student body is much more internationally, racially, and ethnically diverse than students in the comparison groups. Also, our students (even freshman) juggle educational, work and familial responsibilities to a greater extent than students in our NSSE comparison groups.

The university has also seen an upward trend in the percentage of degrees granted to minority graduates: from 26% of all bachelor's degrees in 2004-05 to more than 34% in 2008-09, and from 12.6% of all master's degrees in 2004-05 to more than 17% in 2008-09. We are working hard to improve retention rates and continue these positive trends.

In FY11, UMass Boston once again exceeded the Board of Trustees' objective of meeting more than 90 percent of the financial need of all in-state undergraduates receiving need-based aid, and we expect to do so again in FY12. We also fulfilled the UMass pledge to students from families at or below the state median income by meeting their need after Expected Family Contribution through grant funding. As a result to our commitment to access, UMass Boston provided financial aid is up 172% over the past five years, and we added another \$5.4M to the campus's institutional financial aid budget for FY12.

Teaching and Learning

Quality Academic Programs – As a public research university with a teaching soul, UMass Boston provides students with a high-quality, high-value education. With a 16:1 faculty-to-student ratio, students easily interact with professors because most teaching occurs in small classes. Concepts like international, transnational, interdisciplinary and innovative have increasingly come to characterize UMass Boston's academic programming.

To keep pace with a rapidly changing world, the university has initiated a host of new programs during the past several years. A few examples include:

- A BA program in Early Education and Care in Inclusive Settings in the College of Education and Human Development
- A Vision Rehabilitation Therapy Certificate program
- An Asian Studies BA program, launched with an East Asia track
- New concentrations focused on population health and health policy in the College of Nursing and Health Sciences' Nursing PhD program.

UMass Boston also created its eighth college. Approved by the Board of Trustees in June 2010, University College signals our campus's commitment to academic innovation and to lifelong learning. It expands the university's capacity to respond nimbly to market demand and embark on new ventures in distance learning.

Learning also occurs in other forums. For example, the College of Management's Management Achievement Program (MAP) is designed to develop and enhance each student's professional demeanor and to increase their market place competitiveness. While UMass Boston students unquestionably have the knowledge, skills, and strong work ethic to succeed, MAP has provided a way to pull it all together and give students the extra polish that employers seek.

"MAP consists of unique opportunities such as career development workshops, Master Classes, on-site visits to companies, and networking events," says Dean Philip Quaglieri. "In addition to cultivating their professional demeanor, our students have the opportunity to synthesize their academic and professional goals and experiences thanks to their increased involvement in the college and local business communities."

IDEAS Boston, an annual forum that brings leading-edge thinkers and innovators together to showcase the innovation and creativity coming from Boston and the surrounding region, has found a new, permanent home at UMass Boston.

Founded by The Boston Globe in 2004, IDEAS Boston is an annual forum at which the brightest brains and biggest names in New England come together to share their latest ideas, brainstorm, and creative solutions to promote innovation, the arts, and the humanities. It is a place for thought leaders to present their latest – and sometimes their next – big ideas.

Academic Support Services – One of UMass Boston's top goals is to improve its retention and graduation rates. The university has a variety of programs to help students to succeed that focus on academic instruction and tutoring, following careful assessment of students' writing, critical thinking, and mathematics capabilities.

The goal is to build a new system and culture that places students on track and keeps them on track, integrates students' academic and social experiences, and connects them to networks from the beginning of their UMass Boston experience. The two themes of our academic support programs are:

- Start on Track, Stay on Track
- Early and Often: Connect, Engage, and Build Community

We are turning these themes into reality by building structures that provide appropriate pathways through major and degree requirements, foster quality involvement and engagement and provide academic and co-curricular experiences that are educationally purposeful. We are also developing programs both at the university and college levels to increase students' connections to collective and individual cultural agents who value academic achievement and can engage students. At the college level, these initiatives include the College of Liberal Arts' CLA First! and the College of Math and Sciences' Student Success programs, both of which provide rich and supportive learning communities for small cohorts of students.

The Research Enterprise/External Funding

In FY11, UMass Boston continued to experience strong growth in extramural support, receiving \$53.9M in external funding, an almost 8% increase from the previous year and a total increase of 22.5% in the last five years, and 21.6% in the last three years, or an average increase of 7.2% for each of the last three years. The successes of our faculty, staff, and students engaged in the challenging processes of seeking, securing, and stewarding extramural funds to support research, scholarship, and creative activities have resulted in The Carnegie Foundation for the Advancement of Teaching reclassifying UMass Boston as a Research University with High Research Activity (formerly we were classified as a Doctoral/Research University).

More than half of these external funds come from the full range of federal government agencies—National Science Foundation, National Institutes of Health, Department of Education, National Aeronautics and Space Administration, Office of Naval Research, Environmental Protection Agency, Corporation for National and Community Service, Department of Commerce, to name just a few.

Our sponsored programs also represent collaborations with scientists and policymakers at world-class research organizations and NGOs—Harvard School of Public Health, Dana Farber Cancer Institute, Woods Hole Oceanographic Institution, University of California Los Angeles, American Museum of Natural History, Battelle Memorial Institute. Many research projects are sponsored by internationally known foundations—Charles Stewart Mott Foundation, The Boston Foundation, National Multiple Sclerosis Society—and by prominent industries—Ocean NanoTech, Amersham Biosciences, Pfizer, Microsoft Corporation, OGIS International.

The range of our sponsors is a good indication of the diversity and broad impact of our research activities. Our researchers are working to make the world a better place—and their advances are creating new opportunities right here for our community, our faculty, and most of all, our students.

Examples of major awards received recently include:

- NIH U54 \$13.7M award elevates UMass Boston to top tier of university-based cancer research
- The Institute for Community Inclusion received \$16.8 million grant (the largest single award in UMass Boston's history) to improve employment services for people with disabilities
- A National Center for Advanced Technological Education established at UMass Boston
- McCormack Graduate School of Policy and Global Studies Dean Steve Crosby received the largest award in UMass Boston history (\$400,000) from the National Endowment for the Humanities for their project "Civility and American Democracy: A National Forum."

Research Institutes and Centers – UMass Boston is home to a growing number of research institutes and centers. They contribute to the university's prestige and sponsored dollars by interweaving and leveraging the research that emerges from the university's teaching, scholarship and service missions. Each of them serves as a nexus for faculty, research staff and students to partner with external centers of excellence. UMass Boston's newest institutes and centers include:

- Center for Personalized Cancer Therapy
- Center for Portuguese Language – Instituto Camoes
- Consortium on Gender, Security and Human Rights
- Developmental Sciences Research Center/HORIZON
- Institute for New England Native American Studies
- Collaborative Institute for Oceans, Climate and Security.

Engagement with the World Outside of UMass Boston: Entrepreneurship and Public Affairs

In addition to its highly successful Venture Development Center (VDC) that incubates promising early stage companies in an 18,000 sq. ft. award-winning facility, UMass Boston also launched an Entrepreneur Center in the College of Management. Its Student Entrepreneurship Program offers paid part-time internships at venture-development-funded technology startups at the VDC.

The media, local, state and national, often turn to UMass Boston faculty for expert commentary on elections and public policy and other economic and political issues. Frequent commentators include McCormack School of Public Policy Dean Stephen Crosby, McCormack School professor Christian Weller, Women in Public Policy Director Carol Hardy-Fanta, and political science professors Paul Watanabe and Maurice Cunningham.

MASTER PLAN: REBUILDING THE CAMPUS FOR THE 21ST CENTURY

UMass Boston's 25-year Master Plan is the physical realization of the university's strategic vision: becoming a model student-centered, urban public research university of the 21st century. Its recommendations serve as a flexible blueprint and framework for a campus infrastructure and landscape that reflects UMass Boston's highest academic ambitions, its urban mission, and its commitment to enhancing the student experience and improving connections with its neighbors.

Phase One of the master plan (2008 through 2017) calls for more than \$500 million in new facilities and infrastructure construction on the campus including the following priority projects:

Integrated Sciences Complex -- Construction on the Integrated Sciences Complex, the first new academic building on the Boston campus in more than 35 years, kicked off with a ceremonial groundbreaking on June 8, 2011. Since that time, the project has moved forward rapidly – ground improvement work to support future utility, sidewalk, and hardscape areas is taking place, crews are installing reinforcing steel/rebar and pipes for venting and continue to excavate a tunnel that will connect to the adjacent Service and Supply Building, and the building’s foundation base is beginning to take shape. The new building is anticipated to open for classes in September 2013.

General Academic Building No. 1 -- In three years, UMass Boston will open a new general academic building. Currently in the design phase, the building will include a 200-seat theatre, a 150-seat recital hall, a dance studio, 13 new chemistry teaching labs, a café, and lounge space to promote student and faculty interaction.

Utility Corridor and Roadway Relocation -- The UMass Building Authority (UMBA) has issued a Request for Proposals for architectural and engineering services for the remaining design phases of the Utility Corridor and Roadway Relocation project, which will improve both utility services to new and existing building and vehicular and pedestrian flow on campus and. UMBA has identified two firms as finalists. We anticipate awarding the contract to the most exceptional firm before the end of 2011.

Edward M. Kennedy Institute for the United States Senate – To be located at the Boston campus, the Edward M. Kennedy Institute for the United States Senate (the EMK Institute) is dedicated to educating the public about our government, invigorating public discourse, encouraging participatory democracy, and inspiring the next generation of citizens and leaders to engage in public policy. The Institute will be a dynamic center of non-partisan learning and engagement that takes advantage of cutting-edge technology to provide each visitor and other participants with a unique and information rich, personalized experience that will bring history alive.

Construction of the Edward M. Kennedy Institute for the United States Senate began this fall. UMass Boston and the UMass System Office will partner with the Institute to help develop programs for various audiences, including UMass students and faculty.

BUILDING MOMENTUM WITH A NEW STRATEGIC PLAN

UMass Boston recently completed a new strategic plan. This plan presents a vision for the campus in 2025, with 25,000 students ready to succeed in a transnational world, a faculty deeply engaged in teaching, research and service, and a continued rise within the Carnegie Foundation’s Research/High ranking, earned in 2011, to research status of the first order.

Divided into three five-year segments, this plan is a natural outgrowth of our first 45 years and a bold leap forward. Our ambition is to have, by 2025, national standing and an international imprint comparable to the best public urban universities in the country. This is a vital ambition, for only at this level can we thrive, keep pace with our founding mission to offer students affordable access to opportunities “equal to the best,” and fulfill our covenant to serve urban communities on a global scale. This is also a realistic ambition, for UMass Boston already enjoys a strong national reputation often overlooked close to home, having gained stature in disciplines crucial to the well-being of people, societies, and the environment.

The five major goals of the new UMass Boston strategic plan are:

- Advance student success and development
- Enrich and expand academic programs and research
- Improve the learning, teaching, and working environment
- Establish a financial resources model consistent with the university’s vision statement

- Develop an infrastructure supportive of the preceding goals.

The size, complexity and multi-level interdependence of the UMass Boston strategic plan motivated us to treat it as one would a major construction project, using project management tools to guide plan implementation by identifying checkpoints at which to judge and to choose among appropriate courses of action during the first phase of the strategic plan through 2015. The detailed implementation plan and associated revenue and expense projections guide the Boston campus's financial planning over the next several years.

CONCLUSION

At his recent inauguration, University of Massachusetts President Robert L. Caret exhorted his audience to be ambitious: "Let's dream big. Let's shape the future for Massachusetts and beyond." At UMass Boston, we share the President's desire to support the dreams of our students by ensuring that they are "attending a top-flight University - one that prepares and inspires the next generation of leaders to tackle our nation's most pressing challenges." As the President said to current and prospective students, "We are here to fight for you and to provide you with the education you want and need. We are here to help you be successful."

University of Massachusetts - Dartmouth

In recent past, UMass Dartmouth was the fastest growing campus in the UMass system, in terms of student population, residential student population, and research activity. However, difficult economic times in the local economy has stagnated the growth realized in earlier years. Despite difficult fiscal challenges, the campus is making strategic investments of public and private dollars to sustain and develop the quality of its academic programs, meet the needs and aspirations of the region and promote growth in both undergraduate and graduate programs as outlined in the strategic plan.

Pursuing strategic goals

The University of Massachusetts Dartmouth has developed strategic goals that focus on continued growth and development as a regional research university. Its mission is responsive to the needs and aspirations of the southeastern Massachusetts region.

The university has grown from approximately 6,500 students in the fall of 2000 to 9,155 students in fall 2008. Our graduate enrollment has grown from approximately 700 to 1,200 during the same period. Growth has been critical to stabilizing our financial condition. The pattern of growth was halted during fiscal years 2009 through 2011 reflective of the local economy. However, through strategic investments and program development, it is fully expected that these target are achievable and sustainable.

In 2009 we added the School for Education, Public Policy, and Civic Engagement, selected high student demand undergraduate programs (majors in crime and justice and women's studies), and expanded key research-based programs that are regionally focused but have statewide and global impact (marine science, nursing, advanced materials, advanced manufacturing, math education, Portuguese studies, K-12 education and policy analysis). As evidence of the quality and impact of these programs, our faculty and staff have won major federal, state, and private grants related to these fields, including funding from the U.S. Department of Education to improve math teaching and improve the teaching corps in critical subject areas. In 2011 we added a Law School to the UMass Dartmouth profile and in 2012 we fully expect to receive provisional accreditation from the American Bar Association with full accreditation to occur in Fall of 2014; thus providing the state of Massachusetts with the first public law school.

We have completed the restoration of our faculty after a series of past budget cuts and early retirement programs. The result is nearly 50 percent of the current faculty being hired in the last several years. We opened a new 22,000 square foot research facility in an effort to strengthen the University's regional "innovation triangle" which includes

the main campus in Dartmouth, the Advanced Technology Manufacturing Center in Fall River, and the School for Marine Science and Technology in New Bedford. Continuing with the effort to support research and economic development in the south coast of Massachusetts, the Campus has embarked on another significant investment to design and build a bio-manufacturing facility that can be used to develop pilot production runs for marketable products. Construction is set to begin on the current fiscal year. In the planning stages is the expansion of the School for Marine Sciences to continue to provide valuable research that supports the fishing industry needs; a local economic force in the south coast region.

The renovation of the Claire T. Carney Library is on schedule for completion in the Fall of 2012. This major improvement effort will transform the library from a quiet repository of books into a technology-rich environment that encourages the exchange of ideas among students, faculty and community members.

As technology continues to evolve exponentially with time, it is the intention of the University to incorporate and update classrooms and infrastructure to facilitate learning, compliment student learning styles, and develop attractive on-line learning programs.

Challenge and transformation

In response to the economic downturn and resulting state budget cuts, the Campus is taking action to reduce its costs without harming the quality of the education it provides to its students. The university is also examining opportunities to increase non-state funding of its operations so that it can continue to respond to the needs and aspirations of the region and the Commonwealth.

Our research enterprise has grown from \$9.9 million in 2001 to more than \$20 million today. The Center for Marine Science and Technology is a recognized leader in marine research, and is recognized by the academic and business community as a critical hub of an emerging marine science and technology corridor. The campus's activity in bio-medical research and advanced materials is an emerging strength, rooted in the university's textile engineering history that is a catalyst for economic transformation in the region.

The Advanced Technology and Manufacturing Center (ATMC) in Fall River and the Star Store arts campus in New Bedford have added value to campus programs and positioned us well to provide leadership support in both cultural and economic development. The ATMC, serving as an incubator for companies, has had several companies leave to expand in the region. The Star Store, meanwhile, has spurred the redevelopment of a dozen downtown New Bedford buildings.

UMass Dartmouth also is central to key partnerships that are leading the social and economic development of southeastern Massachusetts:

- The Connect partnership is linking all of the public higher education institutions in the southeastern area in order to serve the region more effectively.
- The SouthCoast Development Partnership is a regional coalition of higher education and business leaders designed to think and act strategically to foster sustained growth.
- The SouthCoast Education Compact is a regional coalition of higher education, K-12, and business leaders focused on increasing educational attainment levels.

UMass Dartmouth continues to advance its mission through such collaboration and very much appreciates the support of the Commonwealth within the University of Massachusetts base appropriation and targeted special appropriations described below.

University of Massachusetts – Lowell

UMass Lowell's mission is "to enhance the intellectual, personal and cultural development of students through excellent, affordable educational programs," and to "meet the needs of the Commonwealth today and into the future and support the development of sustainable technologies and communities." UML seeks to fulfill this mission every day through our teaching and learning, research and scholarship, and outreach and engagement.

The UMass Lowell 2020 Strategic Plan serves as a blueprint to guide the campus toward national and international recognition as a world-class institution over the next decade. The following campus goals for FY2013 are based on the benchmarks being used to track progress toward the vision set out in the Strategic Plan:

- Recruit and retain academically qualified and diverse undergraduate students who will benefit from the University's intellectually challenging environment.
- Foster excellence in teaching and learning and create a climate in which intellectual achievement is honored and encouraged.
- Strengthen international experiences for faculty and students across all disciplines.
- Enhance the student experience to increase student retention and success.
- Create national and international recognition of UMass Lowell as a research university.
- Develop and maintain a goal-oriented balanced budget supporting strategic priorities and contingencies for future uncertainties.
- Create a first rate campus environment and state of the art facilities and information technology.
- Raise the University's reputation and stature as an excellent place to develop professionally by strengthening the caliber of faculty and staff recruited and developed across the University.
- Create a culture of philanthropy across the UMass Lowell community.
- Build Alumni support and engagement with the University.
- Build a UMass Lowell brand based on its strengths and distinctive characteristics that differentiates the campus from other higher education institutions.
- Continue with aggressive implementation and assessment of the University's strategic plan UMass Lowell 2020.
- The campus has made tremendous progress in many areas despite the reductions in state funding and the loss of federal stimulus funds since the beginning of FY2009. Enrollment growth is strong and sustainable; student success rates are increasing; research funding is growing; and on-line and continuing education programming and associated revenues are expanding. The campus has been working with its partners at UMBA and DCAM to implement a Master Plan that will provide the facilities and infrastructure needed to support the emerging strategic plan into the future.

The campus targeted the federal stimulus funds and has been reallocating dollars toward one-time projects that will advance the strategic plan and not place additional pressures on the operating budget. Continued reductions in state support, however, will threaten UMass Lowell's ability to sustain the progress made. The funding formula gap detailed in the state budget request reflects the reality that enrollment growth, program expansion and facilities

renewal require additional faculty, student support staff, financial aid and facilities funding. Additional state funding is necessary so that the campus can continue to meet its mission to the Commonwealth and our students.

University of Massachusetts - Medical School

The University of Massachusetts Medical School (UMMS) strategic plan continues to serve as a roadmap for the campus and its mission of advancing the health and well-being of the people of the Commonwealth and the world through pioneering advances in education, research and health care delivery. Created in 2008 in a comprehensive process that included substantive contributions from key campus constituencies, the strategic plan is a guidepost for operational goals and objectives, including setting administrative and operational priorities. For FY'13, the campus will continue to make planned investments in the educational, research and public service enterprises in support of strategic goals.

The strategic goals for UMMS and its academic health sciences center partner, UMass Memorial Health Care (UMMHC), include the following:

- Design the Future Model of Health Care Delivery;
- Build the Workforce of the Future;
- Design an Ideal Learning Environment;
- Translate Discovery into Practice;
- Be a High Performance/High Reliability Organization; and
- Have a Significant Impact on the World.

These goals were conceived to align closely with the mission of the University, with the life sciences initiatives of the Commonwealth, and with the Medical School's role as the state's only public medical school. In support of the state's Life Sciences Initiative, UMMS created the UMass Human Stem Cell Bank and Registry, developed the Advanced Therapeutics Cluster (RNA therapeutics, stem cell biology and regenerative medicine and gene therapy) and continues to enhance research, education and recruitment priorities.

The Advanced Therapeutics Cluster (ATC) is a key element in the future of research at the Medical School. Faculty recruitment and program development continues in all three areas: four of the most prominent researchers in the field of RNA biology have agreed on a unique co-directorship of the RNA Therapeutics Institute, including Nobel Laureate Craig C. Mello, PhD; Lasker Award winner Victor Ambros, PhD; and two exceptional investigators of the prestigious Howard Hughes Medical Institute, Melissa Moore, PhD, and Philip Zamore, PhD. Likewise, program development in the Center for Stem Cell Biology and Regenerative Medicine and the Gene Therapy Center reflects the priority of research in the ATC and the Medical School's commitment to serve as the center of the commonwealth's development of innovative therapeutics, the commercialization of those new agents and the training of researchers and technicians in related fields to find new therapies for the many diseases that remain untreatable.

UMMS has made substantial progress on the construction of the Albert Sherman Center (ASC), a 500,000 square foot research and academic building, with lab and support space (wet and dry); modern educational spaces that will accommodate the changing needs of our growing student population; and auditorium and conference spaces. The project represents a \$449 million investment and is scheduled to open in 2012. In addition to providing the needed infrastructure to support the Medical School's research and educational missions, this substantial investment will be an engine for economic growth in central Massachusetts, through direct and indirect job creation and the value of the discoveries made by UMMS faculty working there.

Located in the ASC will be educational programs related to simulation and standardized patients through the Center for Experiential Learning. Educational spaces will also include homes for innovative "Learning Communities" for students, contemporary study space and instructional technology.

The partnership with the Commonwealth to create the ASC and related programs demonstrates the ability to use targeted state funding as a foundation for educational and research activities and leverage those funds for growth. The annual state appropriation to the Medical School is augmented by innovative and diversified program

operations that work closely with the Commonwealth's health and human services infrastructure to the advantage of the people of the Commonwealth, but would not be possible without the base of operations provided by the state.

In the area of public service, Commonwealth Medicine, the health care consulting division of UMMS, continues its work with government agencies, nonprofits and managed care organizations to advance health care policy, quality and research. As the shape of national health care reform begins to emerge, the unparalleled depth of expertise within Commonwealth Medicine will continue to contribute to innovative solutions to today's most pressing health care issues.

As important as research achievement remains for the Medical School's strategic growth, equally important is the centrality of the educational mission and the need for critical investments in facilities, faculty and curriculum. The Medical School's commitment to preparing physicians, researchers and nurses who are caring, competent, productive and self-fulfilled in their chosen careers and who are committed to serving a diversity of patients, communities and the health sciences remains central to the UMMS mission and its strategic plan. These ideals are reflected in two current initiatives: the phased implementation of a redesigned curriculum for the School of Medicine and the increase of the class size to 125 medical students per class.

Both of these initiatives are taking place as the School of Medicine prepares for a March 2012 accreditation visit by the Liaison Committee on Medical Education (LCME), a stringent and comprehensive review of curriculum, environment and resources devoted to medical education. The accreditation preparation process has reinforced the value of strategic planning and priority setting for the campus.

The new Learner-centered Integrated Curriculum (LInC), designed with input from over 400 faculty and students, is halfway to full implementation. The LInC emphasizes early patient care exposure from the first weeks of medical school; strong clinical skills development in communications, clinical problem solving and professionalism; student activism in community service and advocacy; diverse opportunities for research; and promotion of life-long learning skills. It incorporates learning communities, which bring together small groups of students and faculty across class years for formal and informal teaching and mentoring, and the Medical School's nationally recognized Standardized Patient Program and Simulation Center will provide opportunities for ongoing practice, improvement and mastery of essential clinical skills.

The increase in class size is part of a long-term strategy that recognizes the Medical School's unique position in the training of the next generation of health care providers. UMMS has implemented a comprehensive process to adapt facilities and student services to accommodate a class size of 125 students per class, consistent with the Association of American Medical Colleges recommendation that medical schools increase the number of physicians they train to help address the looming shortage of doctors, especially those in primary care fields. Success in the Medical School's founding mission of primary care education is demonstrated by a consistent ranking in the top 10 percent of medical schools in primary care as reported by US News and World Report (ranked 9th of 146 schools in the most recent survey) with more than 50% of graduating students entering primary care disciplines upon graduation.

The new Ambulatory Care Center on the Worcester campus, opened in 2010, is now home to four prominent clinical and academic centers of excellence devoted to cancer, musculoskeletal disease, diabetes and heart and vascular disease, along with an innovative "Conquering Diseases" Clinical Research Center, advanced imaging and a shared strategy to maximize the academic and clinical research opportunities presented by this state of the art space. This clinical setting enhances the Medical School's ability to recruit, in partnership with UMass Memorial, physician-scientists who are part of the translational sciences growth key to future impact and success.

The strategic focus in the area of clinical and translational science continues to shape priorities as UMMS participates in a national consortium of 55 elite medical research institutions working together to change – dramatically – the way biomedical research is conducted. The creation of the UMass Center for Clinical and Translational Science is a key strategic milestone for the University, as this is truly a five campus initiative that will draw new collaborations from across the Commonwealth in areas such as clinical trials, comparative effectiveness

studies, outcomes research and quantitative health sciences and public health. The NIH investment in research infrastructure at UMMS comes at a crucial moment in the drive to bring the fruits of new scientific discoveries more rapidly to the bedside.

The University and the Commonwealth continue to benefit from the world-renowned expertise of the faculty and staff at the UMass Biologic laboratories. UMass Biologics (UMBL) is the only publicly owned, non-profit FDA-licensed manufacturer of vaccines and biologic products. UMBL scientists have pioneered a number of biologics and monoclonal antibodies to respond to emerging public health threats such as rabies and *C. difficile*, and new agreements for licensing of recent discoveries and distribution of manufactured vaccines represent UMassBiologics' continued prominent role in global health.

While these investments in research, education, service and the infrastructure necessary to support them are all strategic in nature, the campus does not operate in a vacuum. In order to execute campus plans, UMMS recognizes that resources are limited and competing priorities require active management of the budget and operations. Toward this end, UMMS continues to make reductions in programs and operations that offset, in part, the state reductions experienced in the past three years. As is true across the University, these reductions require deft and assertive management in order that they do not impact the ability to continue to execute to the strategic plan. By actively engaging managers in the process, UMMS has identified efficiencies and process improvements that are reducing expenses, saving energy, improving service delivery and redirecting resources to mission critical functions.

In summary, the strategic goal of the Medical School is to transform the practice of medicine around the world through continued excellence in basic, clinical, and translational research, while recommitting the UMass Academic Health Sciences Center to the safe, high-quality health care, superior education, and impressive community service that distinguishes the campus among its peers.

By developing curriculum, educational infrastructure and facilities; investing for growth in a vibrant research enterprise; and prioritizing key projects that improve facilities and infrastructure, UMMS continues to achieve its established milestones in the campus strategic plan. In doing so, UMMS is creating a new environment for the next generation of health sciences professionals in the classroom, at the research bench, and at the bedside in Massachusetts and around the world. The eager collaboration that occurs readily here across traditional boundaries—between scientists and across disciplines; between clinical and basic science faculty; across schools, programs, and departments—is a unique feature among academic health sciences centers, helping UMMS successfully attract and retain the most talented students and preeminent leaders in every field, and serving as a catalyst for discovery and advancement in all arenas. The Medical School's pride in its institutional success and commitment to its common goals keeps the campus energized as a community, making the institution, as a combined entity, more able to attain its goals.