

UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY

\$212,585,000

Project Revenue Bonds, Senior Series 2013-1 (the "Series 2013-1 Bonds")

\$71,790,000

Project Revenue Bonds, Senior Series 2013-2 (Federally Taxable)
(the "Series 2013-2 Bonds" and collectively with the Series 2013-1 Bonds, the "Bonds")

GENERAL CERTIFICATE OF THE AUTHORITY

The undersigned, Katherine Craven, Executive Director, and Philip W. Johnston, Secretary-Treasurer, of the University of Massachusetts Building Authority (the "Authority"), a body politic and corporate created by Chapter 773 of the Acts of 1960 of The Commonwealth of Massachusetts (the "Commonwealth") as amended (the "Enabling Act"), hereby certify that:

1. We are the duly appointed and acting Executive Director and Secretary-Treasurer of the Authority.
 - (a) The Members and officers of the Authority as of February 5, 2013 and as of the date hereof were and are as follows:

| Member | Office | Expiration of Term |
|----------------------|---------------------|--------------------|
| Robert K. Sheridan | Chair | 6/30/2013 |
| Paul J. Carney | Vice Chair | 6/30/2014 |
| Philip W. Johnston | Secretary-Treasurer | 9/1/2012* |
| Francis X. Callahan | | 6/30/2015 |
| Richard P. Campbell | | 9/1/2016 |
| Edward W. Collins | | 9/1/2012* |
| Karen G. Courtney | | 6/30/2017 |
| Robert L. Fortes | | 6/30/2013 |
| William F. Kennedy | | 6/30/2016 |
| Jeffrey B. Mullan | | 9/1/2016 |
| Henry M. Thomas, III | | 9/1/2012* |

*Pursuant to the Enabling Act, continue to serve until reappointed or a successor is appointed.

2. Attached hereto as Exhibit 1 is a true, correct and complete copy of the Enabling Act, as in effect as of the date hereof. We further certify that no other general or special acts of the General Court have been passed affecting the organization and corporate powers of the Authority.
3. Attached hereto as Exhibit 2 is a true, correct and complete copy of the By-Laws of the Authority which were most recently revised on September 18, 2012 and have not been modified, altered or amended since that date.

4. Attached hereto as Exhibit 3 is a true, correct and complete copy of the approval letter from the Executive Office of Administration and Finance approving the Projects, which letter has not been amended, modified or rescinded since the date set forth therein and continue in full force and effect, which includes as an attachment true, correct and complete copies of written requests of the University made by the University Trustees to initiate the Projects.
5. Attached hereto as Exhibit 4 are true, correct and complete copies of the votes (the "Votes") duly adopted by the Authority at a meeting duly called and held, in accordance with all requirements of law and of the by-laws of the Authority, on February 5, 2013 (the "Meeting"), which Votes have not been amended, modified or rescinded since the date of adoption thereof and continue in full force and effect.
6. The Meeting was open to the public; notice thereof was given to each member of the Authority in the manner required by law and the by-laws of the Authority and no deliberations or decisions in connection with the Vote were taken in executive session.
7. A majority and quorum of the members of the Authority were present, either in person or by telephone, and acting throughout said Meeting, and the Votes were adopted by the affirmative vote of at least four members of the Authority.
8. None of the members of the Authority voting or otherwise participating (as such word is defined in Chapter 268A of the Massachusetts General Laws as in effect at the time of such voting or other participation) with respect to the Votes or any matter pertaining thereto was in violation of said Chapter 268A as a result of such voting or other participation.
9. The Secretary-Treasurer has executed a surety bond in the penal sum of at least fifty thousand dollars, which bond is attached hereto as Exhibit 5, was approved by the Attorney General of the Commonwealth filed in the office of the Secretary of the Commonwealth and continues to be in full force and effect.
10. To the best of our knowledge, (A) the representations and warranties of the Authority contained in the Contract of Purchase dated March 8, 2013 between the Authority and J.P. Morgan Securities LLC, as representative of the underwriters of the Bonds, are true and correct in all material respects on and as of the date hereof and (B) no event affecting the Authority or the University has occurred since the date of the Official Statement for the Bonds for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.
11. To the best of our knowledge, no petition by or against the Authority to date has been filed under the United States Bankruptcy Code or under any similar act;
12. To the best of our knowledge, all conditions precedent to the issuance of the Bonds have been satisfied;
13. To the best of our knowledge, other than as described in the Official Statement for the Bonds, no event that could reasonably be expected to have a material adverse effect with respect to the Authority's business, assets, liabilities, financial condition, results of operation or business prospects has occurred subsequent to the date of the most recent audited financial statements of the Authority.


14. To the best of our knowledge, no transaction or event shall have occurred and no change has occurred in the condition (financial or otherwise) or operations of the Authority between the date of the Authority's most recent audited financial statements and the date hereof which materially adversely affects the issuance of any of the Bonds, the security for any of the Bonds, or the Authority's ability to repay when due its obligations under the Bonds or the Related Documents, other than as disclosed in the Official Statement for the Bonds;
15. The Bonds, including the Principal and Interest Payments with respect thereto, the Projects to be financed by the Bonds and the sources of Revenues of such Projects or any obligation of the Authority with respect to such Revenues do not conflict with any applicable agreement by which the Authority is bound;
16. All approvals required by Chapter 773 of the Acts of 1960, as amended, for the issuance and sale of the Bonds have been obtained including without limitation, the approval of the projects by the University Trustees, as evidenced in the General Certificate of the University, and the approval of the sale and the terms of the Bonds by the Treasurer and Receiver-General (or his designee) and the Secretary of the Executive Office for Administration and Finance (or his designee), as evidenced in the letters attached hereto as Exhibit 6;
17. Attached hereto as Exhibit 7 is a true, correct and complete copy of the waiver granted to the Authority by the Finance and Governance Board, the adoption of which is a pre-condition to the negotiated sale of the Bonds; and
18. To the best of our knowledge, no litigation in which the Authority, the University or the University Trustees are named as a party is pending or, to our knowledge, threatened, seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or of the Contract or any proceedings of the University Trustees with respect to the Contract, the Bonds or the projects to be financed by the Bonds.

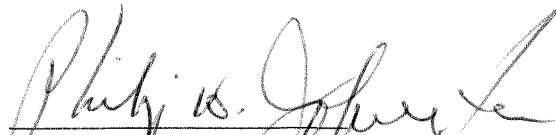
With respect to information regarding the University and the University Trustees, the undersigned are relying on certificates and opinions being delivered by the University in connection with the issuance of the Bonds.

Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Official Statement dated March 8, 2013 for the Bonds.

IN WITNESS WHEREOF, we have hereunto set our hands and the duly adopted corporate seal of the Authority this 20th day of March, 2013.

(seal)


Katherine Craven
Executive Director


Philip W. Johnston
Secretary/Treasurer



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SPECIAL LAWS
TITLE V PUBLIC HEALTH, EDUCATION AND WELFARE
Chapter S52 University of Massachusetts Building Authority

GO TO MASSACHUSETTS CODE ARCHIVE DIRECTORY

ALM Spec L ch. S52, § 1 (2012)

§ 1. Definitions.

As used in this act, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:--

(a) The word "Authority" shall mean the University of Massachusetts Building Authority, created by section two of this act or, if said Authority shall be abolished, the board, body or commission succeeding to the principal functions thereof or to which the powers given by this act to the Authority shall be given by law.

(b) The term "cost of a project" shall embrace the cost, whenever incurred, of carrying out a project and placing it in operation, the cost of architectural and engineering services, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the project, administrative expense, legal expense and such other expenses as may be necessary or incident to the aforesaid, to the financing thereof and to the issuance therefor of notes or bonds or both under the provisions of this act and interest for such period as the Authority may deem advisable but ending not later than eighteen months after the trustees shall have accepted the project for occupancy on money borrowed to pay all or part of the cost of a project. The term shall also embrace the cost of preliminary architectural and engineering services, plans, specifications, surveys, estimates of cost and of revenues and other expenses necessary or incident to determine the feasibility or practicability of other projects for which written requests shall have been made by authority of the trustees.

(c) The term "federal government" shall mean the United States of America and any agency, board, bureau, commission, department or other instrumentality thereof.

(d) The word "project" shall mean the construction of new buildings or structures and the acquisition, addition to, alteration, enlargement, reconstruction, remodeling and other work in or upon or respecting existing buildings or structures, the provision and installation therein or in respect thereof of furnishings, furniture, machinery, equipment, facilities, approaches, driveways, walkways, parking areas, planting and landscaping, the acquisition of land, other

property, rights, easements and interests acquired for or in respect to any thereof, the demolition or removal of any buildings or structures, including buildings or structures owned by the commonwealth, on land so acquired or interests in which are so acquired and site preparation, with respect to which the Authority shall provide by resolution for the issuance of a series of bonds or notes. Whenever appropriate the word shall also mean such land, buildings or structures and such appurtenances.

(e) The term "trust agreement" shall mean a trust agreement made and entered into by and between the Authority and a Trustee under the provisions of section eight.

(f) The word "trustee" shall mean the bank or trust company acting as trustee under a trust agreement.

(g) The word "trustees" shall mean the board of trustees established under section one A of chapter seventy-five of the General Laws for the university, or if such board of trustees shall hereafter be abolished, the board, body or commission succeeding to the principal functions thereof or to which the powers given by said chapter seventy-five with respect to the university shall be given by law.

(h) The word "university" shall mean the University of Massachusetts.

(i) The term "HEFA" shall mean the Health and Education Facilities Authority established by section four of chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight or, if said Health and Education Facilities Authority shall be abolished, the board, body or commission succeeding to the principal functions thereof or to which the powers given by said chapter six hundred and fourteen shall be given by law.

(j) The term "University affiliate" shall mean the Authority and any other organization affiliated with the university, or defined in paragraph (e) of section three of chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight.

HISTORY: 1960, 773, § 1; 1963, 684, §§ 1, 2 1983, 708, § 1; 1989, 653, § 108; 1995, 267, §§ 9, 10; 1998, 319, § 10.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 2 (2012)

§ 2. University of Massachusetts Building Authority.

There is hereby created and placed in the department of education a body politic and corporate to be known as the University of Massachusetts Building Authority, which shall not be subject to the supervision or regulation of the department of education or of any department, commission, board, bureau or agency of the commonwealth except to the extent and in the manner provided in this act. The Authority is hereby constituted a public instrumentality and the exercise by the Authority of the powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

The authority shall consist of eleven members to be appointed by the governor, of whom five members shall be appointive members of the trustees and may, but need not, be graduates of the University, and two other members shall be graduates of the University. The members appointed from the appointive members of the trustees shall continue in office so long as they continue in office as trustees, and such dual membership shall not invalidate any action heretofore or hereafter taken by the Authority or by the trustees in which any such member has participated or may participate. Each member appointed other than from the appointive members of the trustees shall continue in office for a term expiring on June thirtieth in the sixth calendar year next after the calendar year in which his term of office began, except that a person appointed to fill a vacancy in any such membership shall serve only for the unexpired term. Each member shall continue in office until his successor shall have been appointed and qualified, but the term of office of a member appointed other than from the appointive members of the trustees shall be deemed to have commenced in the calendar year in which the stated term of office of his predecessor shall have expired. Any member of the Authority may be removed by the governor for cause after notice and a public hearing unless such notice and hearing are expressly waived in writing. The Authority shall annually elect from its members a chairman and a vice-chairman, and shall also elect a secretary-treasurer and may elect an assistant secretary-treasurer who need not be members of the Authority.

The secretary-treasurer shall keep a record of the proceedings of the Authority and shall be the custodian of all books, documents and papers filed with the Authority and of the minute book or journal of the Authority and of its official seal. He and the assistant secretary-treasurer shall each have authority to cause copies to be made of all minutes

ALM Spec L ch. S52, § 2

and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

Six members of the authority shall constitute a quorum and the affirmative vote of six members shall be necessary for any action taken by the authority. No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority.

Before the issuance of any bonds under the provisions of this act the secretary-treasurer and the assistant secretary-treasurer, if any, of the Authority shall each execute a surety bond in the penal sum of fifty thousand dollars, such surety bond to be conditioned upon the faithful performance of the duties of his office, to be executed by a surety company authorized to transact business in the commonwealth as surety and to be approved by the attorney general and filed in the office of the secretary of the commonwealth.

The members of the Authority shall serve without compensation, but each member shall be reimbursed for all necessary travel and other expenses incurred by him in the discharge of his official duties.

No member, agent or employee of the Authority shall, directly or indirectly, have any financial interest in any property to be included in, or any contract for property or materials to be furnished or used in connection with, any project of the Authority. Whoever violates any provision of the preceding sentence shall be punished by a fine of not less than fifty nor more than one thousand dollars, or by imprisonment for not more than one month, or both.

HISTORY: 1960, 773, § 2; 1963, 684, § 3; 1968, 344, § 1; 1995, 267, §§ 11, 12; 1998, 319, § 11.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 3 (2012)

§ 3. Purposes.

The Authority is created for the general purposes of aiding and contributing to the performance of the educational and other purposes of the university by providing dormitories, dining commons and other buildings and structures for the use of the university, its students, staff and their dependents and for lease to or use by an organization or association, in any form, of students or others the activities of which are a part of the activities at the university and subject to regulation by the trustees, a research foundation or other research organization the operation of which in conjunction with the university is approved by the trustees or any other entity the activities of which are approved by the trustees as furthering the purposes of the university. The Authority shall not initiate any project except upon request made by authority of the trustees and upon written approval from the commissioner of administration.

HISTORY: 1960, 773, § 3; 1963, 684, § 4; 1975, 868, § 1; 1983, 708, § 2; 1995, 267, § 13.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 4 (2012)

§ 4. General Grant of Powers.

In furtherance of the purposes for which it is created, the Authority is hereby authorized and empowered:

(a) To adopt by-laws for the regulation of its affairs and the conduct of its business, and to fix penalties for the violation thereof;

(b) To adopt an official seal and alter the same at pleasure;

(c) To maintain offices in the town of Amherst and elsewhere within the commonwealth and to conduct meetings of the authority in accordance with the by-laws of said authority and the provisions of the second paragraph of section 59 of chapter 156B of the General Laws.

(d) To sue and be sued in its own name, plead and be impleaded;

(e) To construct buildings or structures and to acquire, add to, alter, enlarge, reconstruct, remodel and do other work in or upon or respecting any building or structure, in each case upon written request made by authority of the trustees; to provide and install furnishings, furniture, machinery, equipment, facilities, approaches, driveways, walkways, parking areas, planting and landscaping in or for or related to any such building or structure; provided, that such approaches, driveways, parking areas, planting and landscaping be approved by authority of the trustees; to repair, maintain and operate all property in which the Authority holds an interest;

(f) To rent or lease as landlord any building or structure or portion thereof or parking or other area held by it hereunder, to operate the same and to provide services therein, and to establish rules and regulations for the use thereof; provided, that no such rules or regulations shall conflict with any rules or regulations made by authority of the trustees for use of property of the university, except as provided in section nine;

(g) To borrow from time to time to achieve any one or more of its corporate purposes and to refund obligations

earlier incurred for any such purpose and for refunding, and to sell its bonds and notes therefor, payable solely from its revenues, as provided in section seven.

(h) Subject to the provisions of section nine, to fix and revise from time to time, and to charge and collect rates, fees, rentals and other charges for the use of any building, structure, other property or portion thereof under its control;

(i) To acquire real and personal property by lease, purchase or otherwise, provided that the Authority shall have no power to acquire property by any eminent domain proceedings and to hold and dispose of real and personal property in the exercise of its powers and the performance of its duties under this act.

(j) To acquire from the commonwealth by purchase, lease or grant such property of the commonwealth, real or personal, or easements or rights therein, as may be necessary or desirable for carrying out the provisions of this act;

(k) To employ architects, consulting engineers, attorneys, construction, financial and other experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation; provided, that all such expenses shall be payable solely from funds provided under the authority of this act;

(l) To make application for, receive and accept from the federal government or any agency thereof grants or loans for or in aid of the payment of all or any part of the cost of a project, and to receive and accept contributions from any source of money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made;

(m) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act;

(n) To invest any funds held by it pending disbursement, which investment may be made in any one or more of the following:

(i) direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation, or by any other agency or corporation which has been or is hereafter created pursuant to an act of Congress of the United States as an agency or instrumentality thereof;

(iii) interest-bearing time deposits or certificates of deposit of banking institutions or trust companies organized under the laws of any state of the United States or any national banking association, provided that such deposits or certificates shall be continuously and fully secured by obligations described in subclauses (i) and (ii) having a market value, exclusive of accrued interest, at least equal to the aggregate amount of such deposits and certificates; or

(iv) any of the securities described in subclauses (i) and (ii) which are subject to repurchase agreements with any bank or trust company organized under the laws of any state of the United States or any national banking association.

(o) To do all acts and things necessary or convenient to carry out, or, in connection with any financing or refinancing provided by HEFA, to assist and cooperate with the university, other university affiliates, or HEFA in carrying out, the powers expressly granted in this act.

HISTORY: 1960, 773, § 4; 1963, 684, §§ 5-7; 1983, 708, §§ 3-5; 1989, 653, § 109; 1998, 319, § 12.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 5 (2012)

§ 5. Agreements between the Commonwealth and the Authority.

The trustees may, in the name and on behalf of the commonwealth, upon such terms and with or without consideration, do any or all of the following:

(a) Sell, convey or lease to the Authority real or personal property owned by the commonwealth or grant easements, licenses or any other rights or privileges therein to the Authority, and the provisions of section twenty-seven, but not the provisions of section twenty-eight, of chapter seventy-five of the General Laws shall apply to any such sale, conveyance, lease or grant;

(b) Cause private ways, sidewalks, footpaths, ways for vehicular travel, parking areas, water, sewage or drainage facilities and similar improvements and steam service and other utilities and connections for heating and other necessary purposes to be furnished to or in any project carried out by the Authority;

(c) Make available to the Authority the services of officers and employees of the university and office space and facilities in the university for, among other things, billing and collecting rents, fees, rates and other charges for the use and occupancy of property of the Authority by the university or any person, organization or association referred to in section three; renting and leasing rooms and other accommodations in the buildings and structures of the Authority; cleaning, heating, daily operation of and repairs to and maintenance of such buildings and structures and other property of the Authority; and keeping all books of account for the Authority; and

(d) Do any and all things authorized by law and necessary or convenient to aid and co-operate with the Authority in carrying out the purposes of the Authority and exercising its powers hereunder and in complying with the provisions of any trust agreement into which the Authority may enter.

No lease or other agreement made under this act between the trustees, acting on behalf of the commonwealth, and the Authority shall be subject to any provision of law relating to publication or to advertising for bids, and any such

lease or agreement may be entered into and shall become effective without any necessity for any order of court or other action or formality other than the regular and formal action of the authorities concerned and except as may be expressly provided elsewhere in this act.

In connection with any financing or refinancing provided by HEFA, the provisions of this paragraph shall apply. For the purpose of this section, section nineteen B, and section nineteen C, the term "Authority" shall also refer to HEFA and to any university affiliate. The word project, as used in this act, shall also have the meaning given in paragraph (b) of section three of chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight, as amended. No sale, conveyance, lease, or grant made by HEFA, or the commonwealth acting through the trustees, or any university affiliate to HEFA, the commonwealth acting through the trustees, or any university affiliate shall be subject to the provisions of section forty F, section forty F1/2, section forty H, or section forty I of chapter seven of the General Laws; provided, that the trustees may elect for any such sale, conveyance, lease, or grant to be subject to the provisions of said sections; provided, further, that in connection with (i) any project upon any real property or right thereto obtained by HEFA or any university affiliate pursuant to a sale, conveyance, lease, or grant hereby exempted from said sections, or (ii) any disposition to a person or entity other than HEFA, or the commonwealth acting through the trustees, or a university affiliate of any property or right thereto obtained by HEFA or any university affiliate pursuant to a sale, conveyance, lease, or grant hereby exempted from said sections - HEFA or such university affiliate, as the case may be, shall be deemed to be a state agency for the purpose of paragraph (v) of section thirty-nine A of chapter seven of the General Laws and shall be deemed to be a public agency for the purpose of subsection (1) of section forty-four A of chapter one hundred and forty-nine of the General Laws. Notwithstanding any provision of paragraph (a) or section nineteen B to the contrary, any sale, conveyance, lease or grant made under this section or section nineteen B to HEFA, the commonwealth acting through the trustees or any university affiliate shall become effective without any necessity for any approval by the governor or the council.

HISTORY: 1960, 773, § 5; 1963, 684, §§ 8-10; 1983, 708, § 6; 1989, 653, § 110.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 6 (2012)

§ 6. Accountability.

The Authority shall keep an accurate account of all of its activities and of all its receipts and expenditures and shall annually in the month of January make a report thereof to the trustees, the governor, the state auditor, the clerks of the senate and the house of representatives, the senate and house committees on ways and means, and to the joint committee on education for the senate and house of representatives, such reports to be in a form prescribed by the trustees, with the written approval of said auditor. The trustees or said auditor may investigate the affairs of the Authority, may severally examine the properties and records of the Authority, and may prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the Authority.

HISTORY: 1960, 773, § 6; 1983, 708, § 6A.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L. ch. S52, § 7 (2012)

§ 7. Authority Bonds and Notes.

The authority is hereby authorized to provide by resolution at one time or from time to time for the issue of bonds of the authority for achieving any of its corporate purposes or for the purpose of refunding outstanding indebtedness of the authority, including indebtedness of the University of Lowell Building Authority and indebtedness of the Southeastern Massachusetts University Building Authority, incurred under this act or any other authority, including the payment of all or any part of the cost of projects, the payment of interest on notes and bonds of the authority, the establishment of reserves to secure such bonds and notes, including the reserve funds created pursuant to section ten, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers and any refunding; provided, that the authority shall not issue bonds guaranteed by the commonwealth under section ten the principal amount of which, when added to the principal amount of bonds and notes guaranteed by the commonwealth under section ten theretofore issued and then outstanding hereunder, excluding bonds and notes guaranteed by the commonwealth under section ten previously refunded or being or to be refunded thereby, shall exceed two hundred million dollars; and provided, further, that the authority shall not issue notes or bonds for the purpose of refunding except with prior written approval of such refunding issue given by authority of the trustees, which approval need not be of the interest rate, the maturity or any of the other terms thereof.

The Authority is further authorized to provide by resolution at one time or from time to time for the issue of interest-bearing or discounted notes for the purposes and in the amounts that bonds may be issued as provided above. Such notes shall be payable within five years from their respective dates, but the principal of and any interest on notes issued for such period or for a shorter period may be renewed or paid from time to time by the issue of other notes hereunder; provided, that the period from the date of an original note to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed ten years.

The principal and interest of any bonds or notes issued hereunder shall be payable solely from the funds herein provided for such payment. The bonds of each issue shall be dated, shall bear interest at such rates, shall mature at such time or times not exceeding fifty years from their date or dates as may be determined by the Authority, and may be

made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of any such bonds. The bonds may be issued as serial bonds with maturities in such years as the Authority may determine or as term bonds or as a combination of both.

The Authority shall determine the form of bonds and notes issued by it hereunder, including any interest coupons to be attached thereto, and the manner of execution thereof, and shall fix the denomination or denominations thereof and the place or places of payment of principal and interest, which may be at any bank or trust company within or outside the commonwealth. In case any officer whose signature or a facsimile of whose signature shall appear on any notes, bonds or coupons shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone, and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest and for the interchange of registered and coupon bonds. The Authority may sell such bonds and notes in such manner, either at public or at private sale, and for such price, as it may determine to be for the best interests of the Authority; provided that no bonds or notes shall be sold by the Authority unless such sale and the terms thereof have been approved by the treasurer and receiver-general of his designee and the commissioner of administration or his designee. All bonds and notes issued under the provisions of this act shall have all the qualities and incidents of investment securities under the Uniform Commercial Code.

The proceeds of such bonds and notes shall be used solely for the purposes for which they are issued and shall be disbursed in such manner and under such restrictions, if any, as the Authority may provide in the resolution authorizing the issuance thereof or in the trust agreement securing the same. If the proceeds of bonds or notes issued in whole or in part to pay the cost of a project, by error of estimates or otherwise, shall be less than such cost, additional bonds or notes may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing the issuance thereof or in the trust agreement, shall be deemed to be of the same issue or series and shall be entitled to payment from the same fund without preference or priority of the bonds or notes of such issue or series first issued. If the proceeds of an issue or series of bonds or notes shall exceed the cost of the projects they were issued to finance the surplus shall be deposited for application to the retirement thereof. Prior to the preparation of definitive bonds, the Authority may, under, like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds or notes which shall become mutilated or shall be destroyed or lost. Bonds or notes may be issued under the provisions of this act without obtaining the consent of any department, division, commission, board, bureau or agency of the commonwealth, without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this act, and without compliance with the provisions of any other law applicable to the issue of bonds or notes.

While any bonds or notes issued by the Authority remain outstanding, the powers, duties or existence of the Authority shall not be diminished or impaired in any way that will affect adversely the interests and rights of the holders thereof.

HISTORY: 1960, 773, § 7; 1962, 763, § 1; 1963, 684, § 11; 1965, 845, § 1; 1966, 670; 1968, 400, § 1; 1969, 638, §§ 1, 2; 1970, 412, § 2; 1970, 770, §§ 3, 4; 1973, 589, § 2; 1974, 154, §§ 1, 2; 1975, 868, §§ 2, 3; 1983, 708, §§ 7, 8, 10; 1984, 189, § 168; 1995, 267, § 14; 1998, 319, § 13.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 8 (2012)

§ 8. Trust Agreement.

Bonds issued under the provisions of this act shall be secured by a trust agreement by and between the Authority and a trustee, which may be any trust company or bank having powers of a trust company within the commonwealth. Such trust agreement may pledge or assign the revenues to be received from the projects in respect of which the bonds secured by such trust agreement are issued and from any other property of the Authority, but shall not convey or mortgage any property of the Authority. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not involve any violation of law, including but not limited to definitions of revenues and expenses, covenants setting forth the duties of the Authority in relation to the carrying out of such projects and to the improvement, maintenance, operation, repair, insurance, disposition and replacement of such projects and of other property then or thereafter financed or refinanced thereunder or the revenues from which are then or thereafter pledged thereunder, covenants as to the fixing of the fees, rates, rents or other charges to be made by the Authority for use or occupancy of such projects or property or any portion thereof, covenants designed to assure sufficient occupancy of such projects and property to meet debt service and reserves, provisions for the establishment of reserves from bond proceeds and revenues, conditions and limitations with respect to the issuance of additional bonds under this act or any other authority, provisions with respect to the rights and remedies of the bondholders and of the trustee as to the amendment of such trust agreement and the custody, safeguarding and application of all moneys. Such trust agreement may restrict the individual right of action by bondholders. In the discretion of the Authority, bonds issued to finance a project may be secured by a trust agreement providing for the security only of bonds issued to finance or refinance such project, or providing for the security of bonds issued at one or more times to finance or refinance more than one project. It shall be lawful for any bank or trust company incorporated under the laws of the commonwealth to act as depository of the proceeds of bonds or of revenues and to furnish such indemnifying bonds or to pledge such security as may be required by the Authority. All expenses incurred in carrying out the provisions of such trust agreement may be treated as a part of the cost of the operation of the project or projects to which such trust agreement pertains.

HISTORY: 1960, 773, § 8; 1963, 684, § 11.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 9 (2012)

§ 9. Revenues.

The Authority is hereby authorized to establish and revise rules and regulations to insure the use and occupancy of, and to fix, revise and collect fees, rents, rates and other charges for the use of, a project financed or refinanced hereunder or of any property the revenues from which are pledged hereunder or of any portion thereof or room or accommodation therein. Such rules and regulations and fees, rents, rates and other charges, shall be fixed and adjusted, with respect to the aggregate of the revenues from the project, projects and property the revenues from which are pledged under any trust agreement (1) so as to provide revenues sufficient (a) to pay the cost of maintaining, repairing and operating such projects or property, (b) to pay the principal of and interest on bonds issued to finance or refinance such projects as the same shall become due and payable, (c) to pay such portion of the current operating and administrative expenses of the Authority as the Authority shall deem properly allocable to such projects and property, (d) to create reserves for the foregoing purposes, (e) to pay the amounts, if any, required by section nineteen C to be paid to the treasurer and receiver-general out of such revenues and (f)(i) if a contract is entered into with respect to the financing of any such projects under section ten, to create the reserves required by that section, or (ii) if no such contract is entered into under section ten, to provide for such additional coverage of expenses and debt service as the Authority, with the approval of the trustees, may agree to provide in the trust agreement securing the bonds, and (2) so as to maintain, so far as consistent with the foregoing requirements, a reasonable uniformity in charges for like rooms or other accommodations at the university whether or not contained in a project of the Authority.

Any establishment or revision of rules and regulations insuring use and occupancy and any fixing, revision or adjustment of fees, rents, rates or other charges by the Authority shall require the approval of the trustees. In the case of projects and property the revenues from which are pledged to the payment of bonds which are not guaranteed by the commonwealth under section ten, the trustees shall so exercise their powers hereunder as to permit the Authority at all times to establish and maintain rules and regulations requiring the use and occupancy of such projects and property and to fix and maintain fees, rents, rates and other charges for such use and occupancy which will produce aggregate revenues sufficient to meet the requirements of clauses (1)(a) through (f), above, applicable to such bonds. Upon any

failure of the trustees so to exercise their powers, the Authority may proceed to establish or revise such rules and regulations and to fix or adjust such fees, rents, rates and other charges without the approval of the trustees; provided, that in such case the trustees may propose alternate rules and regulations or scale of fees, rents, rates and other charges which shall thereupon be adopted by the Authority if aggregate revenues sufficient to meet said requirements will be produced thereby. Such fees, rents, rates and other charges shall not, except as expressly provided herein with respect to the trustees, be subject to supervision or regulation of any department, division, commission, board, bureau or agency of the commonwealth or any political subdivision thereof.

All revenues derived from projects and property, the revenues from which are pledged under any resolution or trust agreement, except such part thereof as may be necessary to pay or provide for the costs of maintenance, repair and operation thereof, the allocable portion of current operating and administrative expenses of the Authority and such reserves therefor as may be provided for in the applicable trust agreement and to pay the amounts, if any, required by section nineteen C to be paid to the treasurer and receiver-general out of such revenues, shall be set aside at such regular intervals as may be provided in such trust agreement and shall be pledged to, and charged with, the payment of the principal of and the interest on the bonds issued under such trust agreement as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as provided therein. Such pledge shall be valid and binding from the time it is made, the revenues or other moneys pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. No resolution or trust agreement by which a pledge is created need be filed or recorded except in the records of the Authority. The use and disposition of moneys so pledged shall be subject to the provisions of the applicable trust agreement. Except as may otherwise be provided in such trust agreement, such moneys shall be a fund for all such bonds without distinction or priority of one over another.

Upon the payment in full of the principal amount, including any redemption premium, of all bonds, including refunding bonds, issued to finance or refinance the cost of a project or projects under a single trust agreement, with interest thereon to the stated or accelerated maturity, as the case may be, of such bonds, and of all other sums, if any, then payable to the trustee under the provisions of such trust agreement, or upon deposit by the Authority with the trustee of funds sufficient and in trust to pay such principal amount, interest and sums, then the pledge of revenues from such project or projects or property the revenues from which are pledged thereunder shall cease and terminate, and the revenues thereafter derived from such project and property, except such part thereof as may be necessary to pay the cost of maintenance, repair and operation thereof and such portion of current operating and administrative expenses of the Authority and to provide reserves therefor as may be provided for at the time by resolution of the Authority upon the written approval of the trustees and to pay the amounts, if any, required by section nineteen C to be paid to the treasurer and receiver-general out of such revenues, shall be set aside and pledged to and charged with (1) the reimbursement to the commonwealth of any amounts theretofore paid by the commonwealth to meet principal or interest on any bonds of the Authority guaranteed by the commonwealth under section ten, or, if and only if the commonwealth has made no such payments, or has been reimbursed therefor, (2) the payment of the principal, interest and premiums, if any, at maturity or upon redemption or purchase, of (a), all bonds previously or contemporaneously issued under any particular trust agreement, or (b) all bonds previously or contemporaneously issued under more than one trust agreement, or (c) all bonds then outstanding, as the Authority may determine at the time by resolution approved by the trustees with a view to achieving reasonable uniformity in charges for like rooms and accommodations at the university. Such subsequent pledge shall remain in effect until the applicable payment has been made, whereupon the pledged revenues shall again be pledged in accordance with the preceding sentence. The provisions of this section applicable to the initial pledge of such revenues shall apply to such subsequent pledges.

HISTORY: 1960, 773, § 9; 1963, 684, § 11.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 10 (2012)

§ 10. Guaranty by Commonwealth.

The commonwealth, acting by and through the trustees, may enter into a contract or contracts with the Authority for state financial assistance in the form of a guaranty by the commonwealth of bonds of the Authority issued to achieve any of its corporate purposes or to refund outstanding indebtedness of the Authority incurred under this act or any other authority for any such purpose. Such guaranty shall be executed on each bond by the signature or facsimile signature of an officer of the trustees. In case any officer of the trustees whose signature or facsimile signature shall appear on any bond shall cease to be such officer before the delivery thereof, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery. Each such contract shall contain such limitations as to the cost of any project or projects to be financed by the bonds to be guaranteed pursuant thereto and current operating and administrative expenses of the Authority to be allocated thereto, and such other provisions, as the trustees may require.

The Authority shall create a reserve for principal and interest on all bonds with respect to which such a contract or contracts shall have been executed and which are secured by a single trust agreement and shall make deposits in such reserve as hereinafter provided. For the purposes of this paragraph the term "annual series requirement" shall mean one-twelfth of the largest amount of principal and interest payments due in any year on any one issue or series of bonds secured by a single trust agreement and the term "year" shall mean a calendar year. Such annual series requirement shall be in effect as to any such issue or series of bonds for and only for the twelve years succeeding the next year in which the same was issued. At the time of initial issue of any issue or series of bonds the Authority may deposit in such reserve an amount, from the proceeds of such bonds or from other available funds of the Authority, not greater than the aggregate of the annual series requirements in respect of such issue. If the amount of such deposit is less than such aggregate, the Authority shall, at the time such deposit is made, designate to which of such annual series requirements such deposit shall apply. In each year commencing with the first year succeeding the year in which the initial such issue or series of bonds shall be issued the Authority shall deposit in such reserve an amount equal to the aggregate of the annual series requirements in effect for such year in respect of all such issues or series of bonds of which are

outstanding on the first day of such year plus or, at the option of the Authority, minus, as the case may be, the deficiency or excess of the amount on deposit in such reserve on such first day, including in such amount interest accrued but unpaid on obligations in which such amount may then be invested, under or over the aggregate of all annual series requirements in effect for prior years in respect of all such issues or series of bonds bonds of which are outstanding on such first day; provided, however, that if there shall be any application of such reserve or any portion thereof to the payment of principal or interest on bonds, the amount of any deficiency in the amount thereafter on deposit in such reserve resulting from such application shall be taken into account in computing the amount required to be deposited in such reserve in any year thereafter only to the extent that it is practicable to do so. The principal and interest payments due in any year on any issue or series of bonds shall be determined in accordance with the following when applicable: (1) the principal of bonds for the payment, prepayment, redemption or refunding of which funds are held in trust by the trustee appointed pursuant to the trust agreement under which such bonds were issued shall be treated as not outstanding, and after notice of any prepayment, redemption or refunding of bonds has been given in accordance with such trust agreement, all interest accruing on such bonds after the date with respect to which the requirements of such trust agreement for prepayment, redemption or refund thereof have been fulfilled shall be treated as not due, and (2) if the Authority shall establish a sinking fund for the payment of the principal of bonds at or prior to maturity, such principal amount of bonds as will be paid or prepaid from any deposit required to be made into such sinking fund shall be treated as if it matured on the date of such deposit and not on the maturity date of such bonds. Unless the trust agreement or a resolution of the Authority shall otherwise provide, all amounts required to be deposited into a reserve under any trust agreement shall be held for the equal benefit and security of all issues and series of bonds issued under such trust agreement. Any reserve may be used whenever necessary to pay principal or interest on bonds of any such issue or series of bonds, but such reserve shall be restored to the required level as soon as practicable. At any time when the amount on deposit in any reserve equals or exceeds (a) the aggregate of the twelve annual series requirements to be in effect with respect to any particular such issue or series of bonds bonds of which are then outstanding plus (b) all annual series requirements in effect for all prior years and for the then current year with respect to all other such issues or series of bonds bonds of which are then outstanding, and when such aggregate plus any other funds of the Authority available for the purpose shall equal or exceed the aggregate amount required to pay in full the principal and redemption price of and interest on all bonds of such particular issue or series then outstanding, the Authority may apply to such payment an amount from such reserve not exceeding such aggregate. If on the first day of any year the amount on deposit in any reserve equals or exceeds the sum of (i) the aggregate of all annual series requirements in effect for prior years plus (ii) the annual series requirements for such year, in each case in respect of all such issues or series of bonds bonds of which are outstanding on such first day, the Authority shall not be obliged to make a deposit in such reserve in respect of such year, and, if such amount on deposit exceeds such sum but the conditions for application of the preceding sentence are not then met, the Authority may apply such excess to the payment of interest coming due in such year on bonds of such issues or series.

Any such contract may provide for the guaranty by the commonwealth of notes of the Authority issued under section seven, the total amount of which shall not exceed the amount specified in the contract for state financial assistance. Such guaranty shall be executed on each note by the signature or facsimile signature of an officer of the trustees. In case any officer of the trustees whose signature or facsimile signature shall appear on any note shall cease to be such officer before the delivery thereof, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery.

The guaranty of the commonwealth provided pursuant to such contract shall be of the payment of the principal of, and interest on, all such notes and bonds as the same become due and payable, and the full faith and credit of the commonwealth is hereby pledged for any such guaranty; provided, that the total amount of notes and bonds so guaranteed and outstanding at any one time shall not exceed 200 million dollars in the aggregate, exclusive of bonds and notes refunded or being refunded thereby.

HISTORY: 1960, 773, § 10; 1962, 763, § 2; 1963, 684, § 11; 1965, 845, § 2; 1968, 400, § 2; 1975, 868, §§ 4, 5; 1983, 708, § 11; 1984, 306, §§ 1, 2; 1995, 267, § 15; 1999, 55, § 11.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 11 (2012)

§ 11. Credit of Commonwealth Not Otherwise Pledged.

Notes and bonds issued by the Authority under the provisions of this act shall not constitute a debt of the commonwealth or of any political subdivision thereof or a pledge of the faith and credit of the commonwealth or of any political subdivision, unless and except any such notes and bonds bear the guaranty of the commonwealth pursuant to section ten, and shall be payable solely from the funds herein provided therefor from revenues. All such notes and bonds, except those bearing such guaranty, shall contain on the face thereof a statement to the effect that neither the commonwealth nor the Authority shall pay the same or the interest thereon except from revenues of the Authority and that neither the faith and credit nor the taxing power of the commonwealth or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds.

All expenses incurred in carrying out the provisions of this act shall be payable solely from funds provided under the authority of this act and no liability or obligation shall be incurred by the Authority hereunder beyond the extent to which moneys shall have been provided under the provisions of this act.

HISTORY: 1960, 773, § 11.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 12 (2012)

§ 12. Trust Funds.

All moneys received pursuant to the authority of this act, whether as proceeds from the sale of notes or bonds or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this act. The resolution authorizing the notes or bonds or the trust agreement securing such bonds shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this act and such resolution or trust agreement may provide.

HISTORY: 1960, 773, § 12; 1963, 684, § 12.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 13 (2012)

§ 13. [Repealed.]



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ALM Spec L ch. S52, § 14 (2012)

§ 14. Remedies.

Any holder of notes or bonds issued under the provisions of this act or any of the coupons appertaining thereto, and the Trustee under any trust agreement, except to the extent the rights herein given may be restricted by such trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the commonwealth or granted hereunder or under such trust agreement or resolution authorizing the issuance of such bonds, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the Authority or by any officer thereof, including the fixing, charging and collecting of fees, rents, rates and charges.

HISTORY: 1960, 773, § 14.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 15 (2012)

§ 15. Exemption from Taxation.

The exercise of the powers granted by this act will be in all respects for the benefit of the people of the commonwealth, and for the promotion and improvement of public education in the commonwealth, and as the carrying out, operation and maintenance of projects by the Authority will constitute the performance of essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon any property acquired or used by the Authority under the provisions of this act or upon the income therefrom, and the notes and bonds issued under the provisions of this act, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the commonwealth.

HISTORY: 1960, 773, § 15; 1963, 684, § 14.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 16 (2012)

§ 16. Notes and Bonds Eligible for Investment.

Notes and bonds issued by the Authority under the provisions of this act are hereby made securities in which all public officers and public bodies of the commonwealth and its political subdivisions, all savings banks, insurance companies, trust companies in their commercial departments and, within the limits set by section forty of chapter one hundred and seventy-two of the General Laws, banking associations, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the commonwealth for any purpose for which the deposit of bonds or other obligations of the commonwealth is now or may hereafter be authorized by law.

HISTORY: 1960, 773, § 16.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 17 (2012)

§ 17. Liability in Contract or Tort; Enforcement of Claims.

The Authority shall be liable in contract or in tort in the same manner as a private corporation. The members of the Authority shall not be personally liable as such on its contracts, or for torts not committed or directly authorized by them. The property or funds of the Authority shall not be subject to attachment, or to levy and sale on execution, but if the Authority refuses to pay a judgment entered against it in any court of competent jurisdiction, the supreme judicial court, sitting within and for the county in which the Authority is situated may, by writ of mandamus, direct the treasurer of the Authority to pay such judgment. The real estate of the Authority shall not be subject to liens under chapter two hundred and fifty-four of the General Laws.

HISTORY: 1960, 773, § 17.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L. ch. S52, § 17A (2012)

§ 17A. Liability -- Indemnification and Defense.

The Authority may indemnify and defend present and past members, officers and employees of the Authority against liabilities, claims, actions, suits, demands, judgments, reasonable costs and expenses, including reasonable legal expenses, in connection with an actual or threatened suit or proceeding, including any compromise or settlement thereof approved by the Authority, arising by reason of any act or omission of such person within the scope of such person's employment, official duties or responsibilities for the Authority; provided, however, that no indemnification shall be provided concerning a matter as to which such person acted with: (1) malice; (2) without a reasonable good faith belief that such person's conduct was in the best interest of the Authority; or (3) with the knowledge that such person's conduct was unlawful. The Authority may procure insurance for itself and for its members, officers and employees against liabilities, losses and expenses which may be incurred by virtue of this section or otherwise.

HISTORY: 2010, 131, § 105.

NOTES: Editorial Note

Acts 2010, 131, § 105, effective July 1, 2010, enacted this section. Section 202 provides:

Section 202. Except as otherwise specified, this act shall take effect on July 1, 2010.



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ALM Spec L ch. S52, § 18 (2012)

§ 18. Miscellaneous.

The Authority may take such action as it deems appropriate to enable its employees to come within the provisions and obtain the benefits of the federal social security act. If the employees of the Authority shall come within the provisions of said social security act, their employment shall be included in the term "employment" as used in sections one to seven, inclusive, of chapter one hundred and fifty-one A of the General Laws.

The provisions of sections 26 to 29, inclusive, and of sections 44A to 44H, inclusive, of chapter 149 of the General Laws, and sections 39F to 39P, inclusive, and section 39R of chapter 30 of the General Laws are hereby made applicable to the authority. Notwithstanding the foregoing, for certain projects at the Amherst campus designated by the president of the university and the chancellor of the Amherst campus pursuant to a two year pilot program for projects initiated in the 2004 and 2005 calendar years, and projects for which not less than one-half of the funds are from nongovernmental sources, with the approval of the governor, said authority may use an alternative mode of procurement of design and construction including, but not limited to, sequential, construction management, turnkey, design/build procurement and the phasing of such procurement including, but not limited to, approval of design and construction stages as separate or combined phases, which shall most efficiently, economically and best serve the interests of said authority. In all cases, said authority shall use procedures which shall be compatible with the policies and procedures for the selection of designers in sections 38A1/2 to 38O, inclusive, of chapter 7 of the General Laws and with the policies and procedures for the selection of contractors in sections 44A to 44H, inclusive, of chapter 149 of the General Laws to the extent feasible in light of the mode selected. As used in this section, the term "nongovernmental sources" shall be limited to private donations, gifts, contracts, or grants, or contracts from the federal government or the administrative overhead associated with such grants and contracts; but the term shall not mean revenue derived from fees, tuition or charges of any kind paid by students, faculty, or staff.

HISTORY: 1960, 773, § 18; 1980, 579, § 35; 1998, 319, § 15; 2003, 140, § 52; 2004, 193, § 29.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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GO TO MASSACHUSETTS CODE ARCHIVE DIRECTORY

ALM Spec L. ch. S52, § 19 (2012)

§ 19. Transfer to Commonwealth.

When all bonds and notes issued under the provisions of this act and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and notes and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the holders thereof, all projects then owned by the Authority shall become the property of the commonwealth, and thereupon the Authority shall be dissolved and all funds of the Authority not required for the payment of the bonds and notes and of the interest thereon or for the satisfaction of any other obligations of the Authority or for expenses incident to its dissolution shall be paid into the treasury of the commonwealth and all other property belonging to the Authority shall be vested in the commonwealth and delivered to the trustees.

HISTORY: 1960, 773, § 19; 1963, 684, § 15.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 19A (2012)

§ 19A. Transfer of Trust Funds to Authority.

To provide for the expenses of the authority and for the payment of indebtedness incurred by it in carrying out the provisions of this act, the trustees may, in the name and on behalf of the commonwealth, in connection with any financing, including any refunding, provided by the authority, or in connection with any transfer to the authority of buildings or other property under the provisions of section five, (i) transfer or pledge that they will periodically transfer to the authority, or any university affiliate under terms permitting further transfer or pledge to the authority, any part or all of any funds held by the trustees as trust funds under the provisions of section eleven of chapter seventy-five of the General Laws, administered by the trustees as gifts, grants, or trusts under the provisions of clause (e) of the fifth paragraph of section one A of chapter seventy-five of the General Laws, made available for expenditure by the trustees pursuant to an appropriation or other spending authorization in the commonwealth's annual operating budget, including supplementary and deficiency budgets, or otherwise available for expenditure by the trustees, and (ii) may contract with the authority or any university affiliate with respect thereto under terms permitting further transfer or pledge by the authority to a trustee under any trust agreement entered into by the authority; provided, that in the case of any funds expected to be available for expenditure by the trustees pursuant to subsequent appropriation or other spending authorization by the legislature, the trustees may only pledge that they will so transfer such funds subject to such subsequent appropriation or other spending authorization. The trustees may impose such terms and conditions as to the application of the funds so transferred as the trustees deem appropriate for the carrying out of the provisions of this act. Any such pledge shall be valid and binding from the time when the pledge is made; the funds so pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university or any university affiliate, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which such a pledge is created need be filed or recorded except in the records of the authority.

To provide for the expenses of HEFA and for the payment of indebtedness incurred by it in connection with any

project financed by HEFA on behalf of the university or any university affiliate, or in connection with any transfer for such purpose by HEFA, or the commonwealth acting through the trustees under the provisions of section five, or any university affiliate to HEFA, or the commonwealth acting through the trustees, or any university affiliate of buildings or other property, the trustees may, in the name and on behalf of the commonwealth, (i) transfer or pledge that they will periodically transfer to HEFA, or any university affiliate under terms permitting further transfer or pledge to HEFA, any part or all of any funds held by the trustees as trust funds under the provisions of section eleven of chapter seventy-five of the General Laws, administered by the trustees as gifts, grants, or trusts under the provisions of clause (e) of the fifth paragraph of section one A of chapter seventy-five of the General Laws, made available for expenditure by the trustees pursuant to an appropriation or other spending authorization in the commonwealth's annual operating budget, including supplementary and deficiency budgets, or otherwise available for expenditure by the trustees, and (ii) may contract with HEFA or any university affiliate with respect thereto under terms permitting further transfer or pledge by HEFA to a trustee under any trust agreement related to such project and entered into by HEFA pursuant to chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight, as amended; provided, that in the case of any funds expected to be available for expenditure by the trustees pursuant to subsequent appropriation or other spending authorization by the legislature, the trustees may only pledge that they will so transfer such funds subject to such subsequent appropriation or other spending authorization. The trustees may impose such terms and conditions as to the application of the funds so transferred as the trustees deem appropriate for the carrying out of the provisions of said chapter six hundred and fourteen and of chapter seventy-five of the General Laws. Any such pledge shall be valid and binding from the time when the pledge is made; the funds so pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university or any university affiliate, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which such a pledge is created need be filed or recorded except in the records of HEFA.

HISTORY: 1960, 773, § 19A; 1963, 684, § 15; 1989, 653, § 111; 1995, 267, §§ 16, 17.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 19B (2012)

§ 19B. Use and Disposition of Property and Proceeds Thereof.

The Authority may sell the buildings or other structures upon any land acquired by it and which are not included in a project, or may remove the same, and may sell or lease any lands or rights or interest in lands or other property acquired for the purposes of this act whenever the same shall, in the opinion of the Authority, cease to be needed for such purposes. The proceeds of any such sale or lease shall be held and disposed of as revenues from the project for or with respect to which the property sold or leased shall have been acquired; provided, however, that no property acquired from the commonwealth under the provisions of this act shall be sold or leased without the prior approval of the governor and council; and provided, further, that the proceeds of any sale or lease of any such property shall be paid to the treasurer and receiver-general of the commonwealth and shall be credited on the books of the commonwealth to the General Fund.

HISTORY: 1960, 773, § 19B; 1963, 684, § 15.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 19C (2012)

§ 19C. Commonwealth Properties.

In the event that the trustees shall sell, convey or lease to the Authority any dormitory, dining commons or boarding hall, faculty or student apartment building, garage building or student union building at the university and owned by the commonwealth or any interest of the commonwealth in or to such a building so located but owned by another, and in the further event that funds for the rental or maintenance of such building or buildings have been provided by appropriation from general funds of the commonwealth for any fiscal year ending after the effective date of such sale, conveyance or lease, such sale, conveyance or lease shall provide that the rentals, fees or other charges levied for the use of such building or rooms or accommodations therein or services provided therein in such fiscal year shall be retained by or paid to the treasurer and receiver-general of the commonwealth, as the case may be.

If one or more of the dormitories at the university with respect to which special maintenance appropriations shall have been made by the general court under item 8363-09 of chapter six hundred and forty-nine of the acts of nineteen hundred and sixty-two, under item 8364-27 of chapter five hundred and twenty-two of the acts of nineteen hundred and sixty-three or under any item of any subsequent act and expended, or any interest in any such dormitory, shall be sold, conveyed or leased to the Authority, the Authority shall pay to the treasurer and receiver-general of the commonwealth within each twelve-month period following the effective date of such sale, conveyance or lease, an amount out of the revenues received by the Authority from such dormitory or dormitories during such twelve-month period equal to the lesser of (a) one tenth of the total amount so appropriated and expended with respect to such dormitory or dormitories as certified by the treasurer of the university or (b) one tenth of such net revenues. Such payments shall continue until they shall aggregate the total amount so appropriated and expended as so certified and shall be in addition to any other amount which the Authority may be obliged to pay pursuant to any agreement entered into under section five.

If the dining commons or boarding hall at the university on July first, nineteen hundred and sixty-three, shall be so sold, conveyed or leased to the Authority, the Authority shall pay to the treasurer and receiver-general of the commonwealth the sum of sixty-one thousand five hundred dollars out of the revenues received by the Authority from such dining commons or boarding hall in respect of each twelve-month period thereafter until June thirtieth, nineteen

hundred and eighty-five. Each such payment shall be made in or within ninety days after the end of the twelve-month period with respect to which it is payable and shall be in addition to any other amount which the Authority may be obliged to pay pursuant to any agreement entered into under section five.

All payments made to the treasurer and receiver-general of the commonwealth under this section shall be credited on the books of the commonwealth to the General Fund.

HISTORY: 1960, 773, § 19C; 1963, 684, § 15.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 20 (2012)

§ 20. Liberally Construed.

This act, being necessary for the welfare of the commonwealth and its inhabitants, shall be liberally construed to effect the purposes thereof.

HISTORY: 1960, 773, § 20.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 21 (2012)

§ 21. Constitutional Construction.

The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

HISTORY: 1960, 773, § 21.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.



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ALM Spec L ch. S52, § 22 (2012)

§ 22. Inconsistent Laws Inapplicable.

All other general or special laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable to the provisions of this act.

HISTORY: 1960. 773, § 22.

NOTES: Cross References

University of Massachusetts, see ALM GL c 75 §§ 1, et al.

UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY

AMENDED AND RESTATED BY-LAWS

(Adopted pursuant to Section 4(a) of Chapter 773 of the Acts of 1960, as amended and restated by vote of the Authority on September 21, 2005, and further amended by votes of the Authority on September 22, 2006, January 12, 2009, September 21, 2010, August 25, 2011, and September 18, 2012)

ARTICLE I

ENABLING ACT

The name and purposes of the Authority, the powers of the Authority and of its members and officers, and all matters concerning the conduct and regulation of the business of the Authority shall be subject to such provisions in regard thereto, if any, as are set forth in Chapter 773 of the Acts of 1960 of the Massachusetts General Court, as from time to time amended; and said Chapter 773 (herein, together with all amendments thereto from time to time made, referred to as the Enabling Act) is hereby made a part of these by-laws (herein referred to as the By-Laws). If any conflict is found to exist between the provisions of these By-Laws and those of the Enabling Act, the provisions of the Enabling Act shall prevail.

ARTICLE II

MEMBERS

The Authority shall consist of eleven members, or such other number of members as the Enabling Act may from time to time provide, each of whom shall be appointed by the Governor and qualified to serve. Five of the members shall be appointive Trustees of the University of Massachusetts (herein referred to as the University) and may, but need not be graduates of the University, and such members shall continue in office so long as they continue in office as Trustees of the University. Two other members shall be graduates of the University. All of the members other than the appointive members of the Trustees (and those appointed to fill a vacancy in the members of the Authority) shall continue in office for a term expiring on June thirtieth in the sixth calendar year next after the calendar year in which his term of office began. Members shall serve without compensation, but shall be reimbursed for all necessary travel and other expenses incurred by them in the discharge of their official duties.

ARTICLE III
OFFICES, BOOKS AND RECORDS

Section 1 – Offices

The principal office of the Authority shall be at 225 Franklin Street or such other place in the City of Boston, Massachusetts, as the Authority may by resolution from time to time determine. The Authority may from time to time establish and maintain an additional office or offices at such place or places within the Commonwealth as it may by resolution determine to be necessary or convenient to carry out the powers expressly granted by the Enabling Act.

Section 2 – Books and Records

Except as may be otherwise required or permitted by resolution of the Authority, or as the business of the Authority may from time to time require, all of the books and records of the Authority shall be kept at its principal office, provided, that books and records not currently needed for the business of the Authority may be stored at a commercial records storage facility located in the Commonwealth of Massachusetts. Such books and records shall be available at all reasonable times for inspection by any member, the Trustees of the University, the Governor and the State Auditor.

ARTICLE IV
MEETINGS OF THE AUTHORITY

Section 1 – Annual Meeting

The Authority shall have an annual meeting at which time the Chairman, Vice Chairman and Secretary-Treasurer shall be elected. In addition, an Assistant Secretary-Treasurer, if any, may be elected.

Section 2 – Regular Meetings

The Authority shall hold at least two other regular meetings during the year, each of which shall be held prior to any scheduled meetings of the University's Committee on Administration and Finance of the Board of Trustees, if possible, or such other date as shall be convenient and stated in the notice of the meeting.

Section 3 - Special Meetings

Special meetings of the Authority may be held at any time and at any place (a) when called by the Chairman, or, if he shall be absent or incapacitated, by the Vice-Chairman, or the Executive Director, or in the event of the failure or refusal of the Chairman, Vice-Chairman, and Executive Director to call such a meeting, within five (5) days, excluding Sundays and legal state holidays, after written request therefor by any three (3) members of the Authority sent to all of said officers and the Executive Director by mail, addressed to them as herein provided for notices of meetings, such meetings may be called by said three (3) members, whose certificate as to such request and failure or refusal shall constitute conclusive evidence thereof, or (b) without call or formal notice, provided all members are present or those not present shall have waived notice thereof in writing and all such waivers shall be filed with the records of the meeting either before or within five (5) days after the meeting.

Reasonable notice of each special meeting shall be given to each member of the Authority by the Secretary-Treasurer or Executive Director, or in the event of the failure or refusal of the Secretary-Treasurer and Executive Director, by the members calling the meeting. In any case, notice to a member shall be deemed sufficient if sent by mail at least four (4) days, excluding Sundays and legal state holidays, or by telegram, electronic mail, or facsimile transmission at least forty-eight (48) hours before the time fixed for the meeting, addressed to him at his usual or last known business or residence address, or if given to him in person either by telephone or by handing him a written notice at least forty-eight (48) hours before the time fixed for the meeting.

Section 4 – Transaction of Business

Except as otherwise expressly provided in these By-Laws, only such business of the Authority as described in the notice of the meeting may be considered and acted upon at any meeting of the Authority. At all meetings of the Authority, the order of business shall be established by the posted agenda, unless waived by the affirmative vote of four (4) or more members.

Section 5 – Quorum

Six (6) members of the Authority shall constitute a quorum and the affirmative vote of six (6) members shall be necessary for any action taken by the Authority. No vacancy in the

membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority.

Section 6 – Participation in Meetings

Members may participate in any meeting of the Authority and any of its committees by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

ARTICLE V

ORGANIZATION OF THE AUTHORITY, ITS AGENTS AND EMPLOYEES

Section 1 – Organization

The Authority shall have a Chairman and a Vice-Chairman, who shall be elected annually from its members, and a Secretary-Treasurer, who need not be a member of the Authority, and may elect an Assistant Secretary-Treasurer, who need not be a member of the Authority. The Authority shall appoint an Executive Director, who shall not be a member of the Authority and shall be deemed to be an employee of the Authority. The Executive Director shall serve at the pleasure of the Authority.

Section 2 – Chairman

The Chairman shall preside over all meetings of the Authority and shall perform such other duties as may be directed from time to time by these By-Laws and by the members. Unless some other person or persons shall be thereunto specifically authorized by these By-Laws or by resolution of the Authority, the Chairman shall sign in the name and on behalf of the Authority all contracts and other instruments to be executed by the Authority, unless otherwise delegated to the Executive Director.

Section 3 – Vice-Chairman

The Vice-Chairman shall perform the duties and have the powers of the Chairman during the absence or incapacity of the Chairman. The performance by the Vice-Chairman of duties or the exercise by him of powers of the Chairman shall be presumptive evidence of the absence or incapacity of the Chairman, and a certificate by any four (4) members of the Authority as to such absence or incapacity, or by the Secretary-Treasurer as to such absence from any regular or

special meeting, shall be conclusive evidence thereof. The members may elect a chairman pro tem in the absence or incapacity of both the Chairman and Vice-Chairman.

Section 4 - Secretary-Treasurer and Assistant Secretary-Treasurer

The Secretary-Treasurer shall act as secretary or clerk of the Authority. He shall keep a true and accurate record of the proceedings of the Authority and shall be custodian of all books, documents and papers filed with the Authority and of the minute book or journal of the Authority and of its official seal. He and the Assistant Secretary-Treasurer, if any, shall each have authority to cause copies to be made of all minutes and other records and documents of the Authority, to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates. The Secretary-Treasurer shall cause notice to be given of all meetings of the Authority as required by law or by these By-Laws.

In the absence of the Secretary-Treasurer from any meeting of the Authority, the Assistant Secretary-Treasurer shall keep a true and accurate record of the proceedings thereat. The Assistant Secretary-Treasurer shall perform such other duties as may be directed from time to time by these By-Laws and by the members. In the absence of the Secretary-Treasurer or the Assistant Secretary-Treasurer, a temporary Secretary may be chosen and shall keep a true and accurate record of the proceedings thereat. Any Secretary-Treasurer, Assistant Secretary-Treasurer or Temporary Secretary who is not a member of the Authority shall be sworn to the faithful performance of his duties.

Section 5 – Executive Director

The Authority shall employ an Executive Director, who shall be appointed by the Authority and who shall hold office at the pleasure of the Authority. The Executive Director shall be responsible for the day to day administration, finances and operation of the Authority, subject to the such limitations as may be imposed by law, by these By-Laws or by the members from time to time, shall have such other powers and shall perform such other duties as the Authority may specify by resolution or otherwise. The Executive Director shall be deemed an employee of the Authority and shall not be a member of the Authority, and his compensation and other terms of employment shall be determined by the Authority. The Executive Director shall attend all meetings of the Authority, but he shall have no vote.

The Executive Director shall keep or shall cause to be kept regular books of account, shall report to the Executive Committee and the members at regular intervals upon the financial condition of the Authority, and shall ensure that a true and accurate accounting of the financial transactions of the Authority is made. Subject to the supervision and control of the Authority, the Executive Director shall be responsible for the receipt and disbursement of the monies of the Authority, and shall have such other powers as may be conferred upon such office by the Authority or imposed by law and such other duties as may be directed from time to time by the Authority. The Executive Director may delegate such duties to employees of the Authority in accordance with Section 6 herein.

Section 6- Other Employees, Agents, Etc.

The Executive Director may employ such agents, consultants and employees other than those set forth above, including without limitation architects, consulting engineers, accountants, attorneys, construction, financial and other experts, superintendents and managers as may be necessary or convenient to the conduct of the business of the Authority in the judgment of the Executive Director, all of whom shall perform such duties and have such powers as the Executive Director may specify.. The Executive Director shall fix the compensation of any person so appointed or employed, consistent with the direction of the Authority. The Authority shall provide compensation and benefits to its employees that are the same as those provided to employees of the University of Massachusetts.

ARTICLE VI
COMMITTEES

The Authority may by resolution establish such standing and ad hoc committees as are necessary or convenient for the operation of the Authority. The Authority shall have as standing committees an Executive Committee, an Audit Committee, and a Nominating Committee and identification of such standing committees herein shall be deemed to be a resolution establishing such committee. Except as otherwise specifically set forth herein or as may be otherwise required by law, the Chairman shall appoint the members and chairmen of each committee.

The Audit Committee shall consist of the Secretary-Treasurer, Assistant Secretary-Treasurer, and such other members as may be appointed by the Chairman from time to time, but at all times less than a quorum of the Authority. The members of the Audit Committee must be

independent of the management of the Authority. The Audit Committee shall have the responsibility of considering, reviewing and making recommendations to the Authority on all matters relating to the auditing of the financial affairs of the Authority, and notwithstanding any other provisions of these By-Laws to the contrary, the Audit Committee shall be responsible for the selection and supervision of the independent firm that performs the annual audit of the financial statements of the Authority.

The Executive Committee shall consist of the Chairman and such other members as may be appointed by the Chairman from time to time, but at all times less than a quorum of the Authority. The Executive Committee shall be responsible for the governance of the Authority between annual, regular and special meetings of the members, subject to applicable law and these By-Laws.

The Nominating Committee shall recruit individuals from the members to serve as officers of the Authority and shall present to the Authority at its annual meeting a slate of nominees to stand for election as such officers.

Each committee shall meet separately from time to time and shall make recommendations to the Authority for its approval.

ARTICLE VII

FINANCES

Section 1 – Funds of the Authority

Except as may be otherwise provided in any contract for financial assistance entered into by the Authority and The Commonwealth of Massachusetts under Section 10 of the Enabling Act, any resolution by the Authority, or any trust agreement under which any revenue bonds are issued by the Authority, the Secretary-Treasurer, the Assistant Secretary-Treasurer shall have the care and custody of all funds of the Authority. Before the issuance of any bonds by the Authority, the Secretary- Treasurer and the Assistant Secretary-Treasurer shall each execute a surety bond in the penal sum of Fifty Thousand Dollars (\$50,000.00), such surety bonds to be conditioned upon the faithful performance of the duties of his office, to be executed by a surety company authorized to transaction business in the commonwealth as surety and to be approved by the Attorney General and filed in the office of the Secretary of the Commonwealth.

Section 2 – Annual Audit

The Authority shall cause its finances to be audited by an outside independent professional auditor following the close of its fiscal year. The results of the audit shall be presented in an annual financial report which shall be made available to government officials, to such others as may be required by law or by any bond indenture or other contract or agreement to which the Authority is a party, and to the public.

ARTICLE VIII

EXECUTION OF PAPERS

Notwithstanding any resolution of the Authority to the contrary, and without affecting the provisions of any document already executed by the Authority or the effectiveness of such document, except as otherwise provided by law or by resolution of the Authority, all bills, notes, checks and other negotiable instruments, contracts, agreements, and other instruments to be executed by the Authority which do not specify to the contrary, may be executed by any one, acting alone, of the Chairman, Vice Chairman, Secretary-Treasurer, Assistant Secretary-Treasurer and Executive Director of the Authority, a Chief Financial Officer of the Authority, if one is so appointed by the Executive Director, and a General Counsel of the Authority, if one is so appointed by the Executive Director, and each of such officials, acting alone, is hereby authorized to execute such bills, notes, checks and other negotiable instruments, contracts, agreements and other instruments, and all such bills, notes, checks and other negotiable instruments, contracts, agreements and other instruments shall be signed and delivered, in the name and on behalf of the Authority.

ARTICLE IX

MISCELLANEOUS

Section 1 – Fiscal Year

The fiscal year of the Authority shall commence with the first day of July and end with the thirtieth day of June.

Section 2 – Indemnification by the Authority

To the extent permitted by law the Authority may indemnify and defend each person who has served, serves or shall serve at any time as a member, or an officer or employee of the

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Authority, and save such person harmless against any liabilities, claims, actions, suits, demands, judgments, reasonable costs and expenses, including reasonable legal expenses, in connection with an actual or threatened suit or proceeding, including any compromise or settlement thereof approved by the Authority, arising by reason of any act or omission of such person within the scope of such person's employment, official duties or responsibilities for the Authority (other than claims by the Authority itself); provided, however, that no indemnification shall be provided concerning a matter as to which such person acted with: (1) malice; (2) without a reasonable good faith belief that such person's conduct was in the best interest of the Authority; or (3) with the knowledge that such person's conduct was unlawful.

Any rights to reimbursement and indemnification granted under this Article to any member, officer or employee shall not be exclusive of other indemnification rights arising under any By-Law, agreement, vote of members or otherwise and shall extend to the heirs and legal representatives of such member, officer or employee. No such reimbursement or indemnification shall be provided for any person with respect to whom a determination is made by vote of six (6) disinterested members that the person may have committed misfeasance, malfeasance, willful neglect of duty, a fiscally irresponsible or imprudent action, an action against the public interest, or other serious wrongdoing, or with respect to any matter as to which the person shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Authority. Reimbursement or indemnification under this Article may in the discretion of the members include payment by the Authority of reasonable costs and expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated not to be entitled to indemnification under this Article. Nothing contained in this Article is intended to, or shall prevent a settlement by the Authority prior to final adjudication of any claim, including claims for reimbursement or indemnification under this Article, against the Authority when such settlement appears to be in the best interests of the Authority. The provisions of this Article shall be binding on the Authority to the same extent as if they were agreed to in a written contract between the Authority and each person for whom indemnification or reimbursement is provided in this Article. No Member or officer of the Authority shall be

liable to anyone for making any determination as to the existence or absence of liability of the Authority under this Article or for making or refusing to make any payment under this Article in reliance upon advice of counsel.

Section 3 - Insurance

The Authority shall have power to purchase and maintain insurance on behalf of any present or past member, officer, or employee of the Authority against any liability, loss and expense incurred by him or her arising out of his or her employment, official duties or responsibilities for the Authority whether or not the Authority would have the power to indemnify him or her against such liability.

ARTICLE X

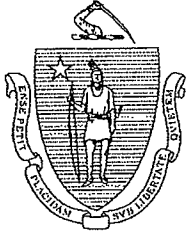
OFFICIAL SEAL

The official seal of the Authority shall consist of a flat face circular die with the words "University of Massachusetts Building Authority" cut, embossed or engraved on its outer rim, and in the circle within such words, such other words and figures or such design as may be determined by resolution of the Authority, and upon the adoption of such resolution, Secretary-Treasurer shall obtain such seal and shall cause an impression thereof to be made on the margin of the page of the records containing this Article of the By-Laws.

ARTICLE XI

AMENDMENTS

These By-Laws may be amended, added to, altered or repealed in whole or in part by resolution of the Authority adopted by the affirmative vote of at least six (6) members of the Authority at any meeting of the Authority, provided that the notice of such meeting shall specify the subject matter of the proposed amendment, addition, alteration or repeal or the Article or Articles of these By-Laws to be affected thereby.



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • ROOM 373
BOSTON, MA 02133

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

GLEN SHOR
SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779
www.mass.gov/eoaf

March 5, 2013

Ms. Katherine Craven
Executive Director
University of Massachusetts Building Authority
225 Franklin Street, 12th Floor
Boston, MA 02110

Re: University of Massachusetts Building Authority – Capital Projects

Dear Ms. Craven,

Pursuant to your letter dated February 15, 2013, you requested the approval of my office for the University of Massachusetts Building Authority (the "Authority") to proceed with the financing of several projects (the "Projects") aggregating \$500 million, as described in the attachments. As part of this financing you also requested the approval of my office for the implementation of a commercial paper program to finance Projects during construction. In addition, you have requested the establishment of a study pool to enable the Authority to conduct preliminary project evaluations.

In considering your request, we reviewed the information and materials provided on February 15, 2013, and certain information provided subsequently. Collectively, the information and materials submitted satisfy the requirements set forth in a letter from then Secretary Gonzalez to the University of Massachusetts dated July 31, 2009.

Based on our review of these submittals, I hereby approve the Projects and the Authority's implementation of a commercial paper program, as described, for providing funding during construction. In addition, I approve the establishment of a study pool with the following parameters: i) the pool amount shall not exceed \$10 million; ii) studies with a cost of \$1 million or more require individual approval from the Secretary of ANF; and iii) a summary of the use of the pool funds shall be provided to the Secretary of ANF prior to any requests to replenish the funds in the pool.

Sincerely,

Glen Shor





University of Massachusetts Building Authority

FEB 19 2013

Katherine Craven
Executive Director

February 15, 2013

Mr. Glen Shor, Secretary
Executive Office for Administration and Finance
State House Room 373
Boston, Massachusetts 02133

Dear Secretary Shor:

On top of congratulating you on your new position, I write to you to accomplish several tasks. The University of Massachusetts Building Authority (UMBA) has been requested by the University's Senior Vice President, Christine Wilda, to commence activity on a range of capital projects at the University's campuses. Some of the action items are primarily financing adjustments to already approved projects, while other projects are being brought forward to your office for the required project approval. Included with this letter are the materials required by the Executive Office for Administration and Finance to be submitted by the University in connection with any request for approval of the initiation of a project by UMBA, as set forth in the July 31, 2009 letter from the Secretary of Administration and Finance to the University.

In addition to the requested project approvals, I would like to update you on the overall financing plans of UMBA as we move further into the University's FY13-17 Capital Plan. I am looking to implement a more strategic financing strategy in which we will be more nimble to take advantage of opportunities presented by market conditions. As opposed to borrowing entire project funds in advance of commencing project activity, I intend to move to a just-in-time borrowing program where UMBA closely monitors project cash flows and goes to market according to funding requirements. With this in mind, this letter also serves as a request to engage in a bond issuance to fund active projects approved by your predecessors and to get started on University priority projects.

Given the excellent current market conditions for both tax-exempt and taxable bonds, my team and I are targeting a bond issuance in early March. We aim to issue \$267 to \$300 million of 30-year fixed-rate bonds of which approximately \$40 to \$70 million will be taxable. The taxable bonds will be utilized to support the University's growing industry relationships in research and development activities. I would also like to inform you of UMBA's desire to utilize a Commercial Paper program to finance projects during construction in order to minimize the debt service impact to the University's campuses. We are estimating the need to establish the Commercial Paper program in the range of \$200-\$230 million and this program would be set up over the next few months. There is significant enthusiasm around this approach as we believe that we can achieve all-in rates of below 1% in the short-term. The entire borrowing plan was authorized by the UMBA Board of Directors at its February 5, 2013 meeting.



University of Massachusetts Building Authority

With that background, this letter also serves as a request from UMBA for approval of the terms of the sale of the bonds and the commercial paper being issued by UMBA, as required by Section 7 of the Enabling Act, to finance the projects described in further detail below and in the letters sent to me on January 31st and February 13th from Senior Vice President Wilda. We have also submitted a request to the Finance and Governance Board for a waiver from the presumption of competitive sale, which request is being considered by the Finance and Governance Board at its February 25, 2013 meeting. My staff will follow up on this letter with the following documents related to the approval of the terms of the sale and related to the waiver needed for a negotiated deal:

1. A copy of the request for a waiver submitted by UMBA to the Finance and Governance Board for consideration at its February 25, 2013 meeting, which request includes copies of the following:
 - a. The resolutions approved by the Authority authorizing the issuance of the Bonds and the Commercial Paper to fund the Projects; and
 - b. The Authority's Debt Policy.
2. Information about the Bonds to support the approval by the Secretary of the terms of Sale thereof, including the following
 - a. A brief summary of the terms of the bonds; and
 - b. A form of the Contract of Purchase.
3. Form of letter of the Secretary approving the terms of the sale of the Bonds in accordance with Section 7 of the Enabling Act.

The Authority and the University would greatly appreciate a review of the approval of the new projects in advance of our anticipated mailing of the Preliminary Official Statement for the Bonds, currently scheduled for February 27, 2013. The approval of the terms of the sale of the Bonds and the Commercial Paper, respectively, would be provided at the time of sale of the Bonds (currently expected to be March 8, 2013) and commencement of the Commercial Paper program (currently expected to be prior to June 30, 2013).

There is also a secondary proposal that I would like to put forth. Senior Vice President Wilda and I have been working to integrate UMBA into the University's project planning process at the earliest stage possible in order to assist the campuses in bringing greater clarity to scope development and estimated costs. To further this goal, we would like permission to establish a study pool that will enable UMBA to conduct preliminary project evaluations in advance of approval from your Office. This strategy will enable UMBA to bring feasible, clearly defined projects forward for approval. Under this program, no projects would be initiated outside of the policies of the University of Massachusetts Board of Trustees.

In response to letters sent to me from Senior Vice President Wilda on January 31st and February 13th, the requested project approvals are detailed below by the applicable University campus:



University of Massachusetts Building Authority

Amherst Campus:

1. Senior Vice President has requested that UMBA finance \$6.7 million of additional funding for the Honors College Residence Project, Priority #1, along with \$1.4 million for accessibility improvements, Priority #65, on adjacent pathways. Please note that the accessibility improvements might be funded through DCAMM, but that decision has not been finalized and the work needs to be completed for the opening of Honors College Project in August.
2. The Academic Classroom Building, Priority #3, is a \$91 million project being managed by DCAMM. This project is being funded by \$65 million of state funds and \$20 million of campus operating funds. The Campus is looking for \$8.25 million of UMBA bond proceeds to cover cost overruns and to build out the broadcasting studio section of the facility.
3. Priority #13 is a request for \$40 million to construct a campus electrical substation and related electrical improvements, such that the campus will not be dependent on the inadequate supply provided by the local utility company. The local utility company is only willing to upgrade its equipment to support the needs of the Amherst Campus if the Campus finances the improvements through the Utility. The Campus would prefer to utilize a less expensive alternative to build their own substation.
4. The Campus would like to borrow up to \$40 million for the construction of an addition to the Isenberg School of Management. Priority #14 is triggered by significant fundraising activity around the expansion. Due to the heavy fundraising, it is likely that the Campus will not require the full \$40 million to complete the project.
5. The Campus has requested \$33.85 million of bond proceeds for deferred maintenance activity:
 - o \$1 million for the repair of deteriorating water tanks – Priority #36
 - o \$4.5 million for the removal of hazardous materials from the windows of the Lederle Graduate Research Center – Priority #37
 - o \$14 million for renovations to the Whitmore Administration Building – Priority #41
 - o \$6 million for repairs to the Marston Building – Priority #43
 - o \$2.25 million directed to HVAC and fire alarm repairs in the Thompson Building – Priority #46
 - o \$2 million for the replacement of transformers which have significant oil build-up - Priority #47
 - o \$1.5 million for environmental remediation on Lot 12 which has been identified as a former landfill by the Department of Environmental Protection – Priority #56
 - o \$1 million for decommissioning of the coal yard that was used for the former Power Plant – Priority #57
 - o \$500k for power supply improvements to science and research buildings – Priority #77
 - o \$600k for exterior repairs to the Hadley Farm House – (projects under \$1 million not subject to Board of Trustee approval)



University of Massachusetts Building Authority

- \$500k to study the relocation of the used chemical storage facility to a less central location on the Campus (projects under \$1 million not subject to Board of Trustee approval)
- 6. The Utility Infrastructure Improvement Project, Priority #54, for \$7.6 million is an investment focused on electrical upgrades in the southern part of the Campus to boost distribution, redundancy, and capacity. This work will need to be completed in conjunction with the renovation work on McGuirk Stadium.
- 7. The Campus is requesting that \$3.9 million of bond proceeds be used for Priority #67, the Paige Lab Renovations Project, in order to further reduce the level of deferred maintenance in the facility.
- 8. The Campus has requested the reallocation of existing bond funds to support \$2.5 million of roof and masonry work on the Cashin House, Priority #72. This project does not require additional borrowing at this time, but UMBA does require your permission to begin the project.
- 9. \$14 million to be used for renovations associated with new faculty hires (Priority #76), particularly in the science and research disciplines.
- 10. The Fine Arts Center Renovation Project, Priority #82, is targeting \$9 million towards deferred maintenance and code compliance.
- 11. The Campus has requested \$18 million to fund Priority #85, the renovation of space to be backfilled when current occupants move into the Life Sciences Laboratories.



University of Massachusetts Building Authority

Boston Campus:

The majority of the project requests related to the Boston Campus are self-explanatory. As such, I have included a table to crosswalk the projects to the approved Capital Plan and I will highlight those projects with notable issues.

| Project | Capital Plan # | Capital Plan Approved Project Cost | Requested Financing | Existing EOAF Approval |
|---|----------------|------------------------------------|---------------------|------------------------|
| Clark Athletic Center: Replace/Repair East Curtain Wall | BL02.02 | \$2,000,000 | \$2,000,000 | |
| Healey Building: Roof Replacement and Envelope Repairs | BL02.03 | \$5,000,000 | \$5,000,000 | |
| Service and Supply Building: Roof and Envelope Repairs | BL02.04 | \$1,750,000 | \$1,750,000 | |
| McCormack Hall: Roof Replacement and Envelope Repairs | BL02.05 | \$3,500,000 | \$3,500,000 | |
| Healey Building: Replace Plaza level Waterproofing | BL03 | \$4,000,000 | \$4,000,000 | |
| Nantucket Field Station: Repairs to Field Station Buildings and Septic System and Gouin Village Apartment Repairs | BL06 | \$2,000,000 | \$1,400,000 | |
| Clark Athletic Center Ice Rink: Replace Chiller Unit | BL07 | \$1,000,000 | \$500,000 | |
| Clark Facility Façade Repairs | BL08 | \$1,000,000 | \$1,000,000 | |
| Saltwater Pump House Mechanical Upgrades | BL11.01 | \$1,500,000 | \$1,500,000 | |
| Service and Supply Building: Install Fire Suppression and Upgrade Alarm System | BL14.02 | \$2,300,000 | \$2,300,000 | |
| Master Plan Phase I: Utility Corridor and Roadway Relocation Project | MP.02.01 | \$143,000,000 | \$60,873,716 | October 2010 |
| Construction of a new Trigereneration Facility | MP.02.03 | \$27,500,000 | \$27,500,000 | |
| General Academic Building | MP.03 | \$113,000,000 | \$13,000,000 | November 2009 |
| Master Plan Phase I: Construct 1,000 Bed Residence Hall 1 | MP.04 | \$100,000,000 | \$2,000,000 | |
| Renovations to Existing Buildings | MP.05.01 | \$75,000,000 | \$37,500,000 | |
| New Campus Greenhouse | MP.06.02 | \$5,000,000 | \$2,500,000 | |
| Master Plan Phase I: Relocate College of Science and Mathematics Machine Shop | MP.06.03 | \$1,000,000 | \$1,000,000 | |
| Study Catwalk System | MP.06.05 | \$1,000,000 | \$1,000,000 | |
| Master Plan Phase I: Relocate Track/Athletic Field | MP.06.08 | \$2,800,000 | \$2,800,000 | |
| Construction of a new 1,200 vehicle Parking Garage | MP.08 | \$45,000,000 | \$45,000,000 | |
| Build out upper garage area near Campus Center into assignable space | MP.09 | \$5,000,000 | \$5,000,000 | |
| Relocate Campus Data Center | new project | \$1,300,000 | \$1,300,000 | |
| McCormack Hall: Conversion of Vacant Cafeteria, Servery and Kitchen Space for College of Nursing | TR.01 | \$2,275,000 | \$1,500,000 | |
| Clark Athletic Center: Replacement of Gymnasium Floor and Bleacher Repairs | TR.04 | \$2,450,000 | \$1,000,000 | |
| Demolition of Bayside Facility, separation of Utilities, and parking lot improvements | MP.10 | \$6,000,000 | \$0 | October 2009 |

- An increased scope and project budget for the Healey Building Roof and Envelope Repairs project was recently approved at the February 6th UMass Board Administration & Finance Committee. Study and Design work related to water intrusion issues at the Healey Library indicated the need



University of Massachusetts Building Authority

to increase the scope of work related to building envelope repairs, specifically the removal of courses of brickwork and capstones in order to provide waterproofing to the walls of the building that had not been waterproofed during original construction. Rotted metal frames around rooftop penthouse space doors and other penetrations were also found to be a significant contributor to the water intrusion issues and were not accounted for in original concept. The new scope of work includes all roof surfaces, including the main 11th floor roof, the roofs on the mechanical penthouses and the terraces and skylights at the 10th floor. The estimated total cost for this project is now \$5 million.

- The Utility Corridor and Roadway Relocation Project was approved by Secretary Gonzalez on October 7, 2010 and \$78 million was borrowed the following month to complete Phase 1 of this project. As the Campus and UMBA moved forward on this project, it became obvious that the two phases of this project should be combined into one complete project and undertaken simultaneously. The Campus now requires an additional \$60.9 million to complete the scope of work. This project is the core building block to the redevelopment of the Boston Campus. The existing campus utilities are built into the Substructure, which is crumbling and subject to demolition.
- The construction of a General Academic Building was approved by Secretary Gonzalez on November 23, 2009. In the early design phase of the project, the Campus expressed the desire to increase the projected total project cost to \$113 million. The Campus would like to finance the remaining \$13 million that was not borrowed in 2009.
- The Campus is exploring the addition of a student residential program. The preliminary concept calls for establishing 1,000 beds on-site and the Campus has requested that \$100 million be dedicated to pursue this goal. Senior Vice President Wilda has requested UMBA to conduct a feasibility study in order to allow for an informed evaluation of the available housing options. The approval I am seeking today is for UMBA to spend up to \$2 million to conduct the feasibility study in advance of commencing the entire project.
- The \$75 million of renovations scheduled for existing Campus buildings will be done in segments. At this time, the Campus is only requesting access to 50% of this funding.
- The Campus originally requested that \$3 million be dedicated to moving the data center out of the Science Center due to the scheduled demolition of the facility. A determination has been made by the University's IT Steering Committee that the data center investment needed on the Boston Campus should be approximately \$1.3 million, which will be accomplished through renovations to space within the Service & Supply Building. Due to the fact that this project was under review, it was not included on the Capital Plan approved by the Board of Trustees in September. However, the Board's Administration & Finance Committee approved the project at the \$1.3 million level on February 6th.

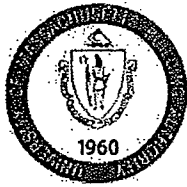


University of Massachusetts Building Authority

- In October 2009, Secretary Gonzalez approved the acquisition of Expansion/Swing Space for the Boston Campus. UMBA subsequently acquired the former Bayside property on behalf of the Campus. The Campus has bond proceeds remaining from that transaction and has requested that those funds be dedicated to securing and improving the property. Anticipated improvements include demolition of the former exposition facility, separation of the utility connections, and resurfacing of the parking areas. As the Campus moves forward on large components of its Master Plan, several parking areas will be lost. The Bayside property will temporarily serve to replace this lost parking capacity while the Campus constructs a new 1,200 space parking garage on the main campus.

Dartmouth Campus:

- The Accelerator for Biomanufacturing in Fall River, Priority #3 for the Dartmouth Campus, is a project primarily funded by the Life Sciences Center. \$15 million was originally earmarked through the MassWorks Program but this funding was switched over to the Life Sciences Center in FY12. In a recent vote of the Life Sciences Center Board, an additional \$6 million has been awarded to the project. However, the \$6 million of funding will not be distributed until FY15 which is not consistent with the construction cash flow requirements. To support the project, UMBA expects to borrow up to \$16.5 million. \$8 million will be a taxable borrow used to replace the \$8 million of tax-exempt bonds already borrowed for the project. \$6 million of the additional \$8.5 million will be used as a bridge loan until the Life Sciences funding is available and the remaining \$2.5 million is intended to support the build out of the facility.
- UMBA and DCAM are collaborating on a \$48 million project, Priority #4, to construct a new Marine Sciences Research Facility in New Bedford. With permission from the Executive Office, UMBA borrowed \$25 million in FY11 to cover the University's funding of the project (\$20 million has been dedicated from the Higher Education Bond Bill and the remaining \$3 million is under discussion as a final determination on the facility's programming is dependent on the study currently being conducted by DCAMM). When the construction of the new facility did not proceed on the pace first anticipated, the bond proceeds were allocated to another campus. As a result, UMBA is looking to finance up to \$25 million for this collaborative project.
- Priority #16 for the Dartmouth Campus is the expansion of the Charlton College of Business. The Campus has indicated that there is strong fundraising activity around this expansion project. UMBA has not been involved in the planning that identified this as a \$15 million project and my initial impression is that it will likely be a more significant project, but that decision will be based upon the study results, affordability, and fundraising achievement. This is an exciting opportunity for the Campus and UMBA is eager to engage on the project.
- The Dartmouth Campus is looking for the Building Authority to take the lead on a multi-year program focused on Classroom, Teaching Laboratory, and Learning Space Improvements. The

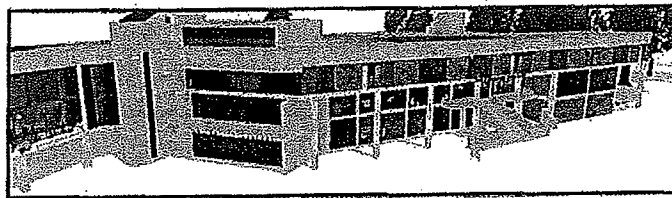


University of Massachusetts Building Authority

Campus anticipates investing \$10.4 million over the next few years. Chancellor Grossman has moved up the desired timeline on these types of investments such that it makes sense to finance some of this scheduled activity in the next borrowing. The UMass Board's Administration & Finance Committee voted to approve this adjusted timeline at their February 6th meeting. Most classrooms, laboratories, studios, and other common areas used by students are located in buildings that are thirty or more years old. This project will convert some of the existing Chemistry and Biology teaching labs to accommodate larger class sizes while upgrading health and safety features and finishes. For classrooms and studios, renovation work will involve replacing seating and tables, filling in tiered classrooms with light-weight concrete fill to create flat classrooms, installing teaching technology, reflooring, installing new window treatments and storm windows, repairing masonry walls, and installing new ceiling grids and lighting in some areas.

Lowell Campus:

- UMBA has been asked to commence work on renovating the Leitch and Bourgeois residence halls on the East Campus of UMass Lowell. This project, Priority #13 on the Lowell section of the University Capital Plan, is expected to focus on replacing the core infrastructure of the buildings, including mechanical and fire protection systems. The scope will also include accessibility improvements and the creation of study space. Initial projections indicate these renovations will total \$20 to \$25 million dollars. The renovations will be phased in such a manner that only one of the residence halls will be offline in a given semester.
- Senior Vice President Wilda has requested UMBA to manage the renovation of the dining facility located in McGauvran Hall on the South Campus of UMass Lowell.



This project is a key finding of the South Campus Master Plan developed in collaboration with DCAM. It is a component identified within Priority #14, South Campus Master Plan and Initial Space Revisions. Preliminary discussions of this project have targeted the cost of this project at \$10 million.



University of Massachusetts Building Authority

Medical School Campus:

Confirmed by a project budget meeting held between my staff and the Medical School this past week, it is clear that the Medical School will have excess bond proceeds available after the completion of the Sherman Center, the Power Plant Expansion, and the Parking Garage. The Campus has requested that these available bond proceeds be reallocated to priority projects. With approval from Senior Vice President Wilda, the Campus would use \$4 million for renovating the 3rd and 4th floors of the Basic Wing of the Medical School (Priorities #4 and #5), \$1.2 million for Priority #8, building out the BLS3 Suite which is a level 3 bio-safety laboratory that handles contagious bacterial/viral research, and \$1.2 million to replace a chiller unit as part of Priority #6 on their Capital Plan.

Additionally, we would like to utilize \$3 million to help support the relocation of MassBiologics laboratories currently housed in Jamaica Plain to Mattapan. MassBiologics has initiated plans to move its remaining Tetanus and Diphtheria vaccine manufacturing operations from its legacy facility located at 305 South St., Jamaica Plain to 460 Walk Hill St., Mattapan. The Jamaica Plain facility has served MassBiologics needs since the early 1900s and is becoming increasingly less cost effective to operate and maintain. Further, MassBiologics main operations; aseptic filling, research, process development and monoclonal antibody manufacturing are located in Mattapan at a newly constructed facility that can be modified to accommodate the operations currently performed at the JP campus. A preliminary assessment of the project has been performed and estimates of the work have been obtained. Currently, the project has a maximum estimated construction cost of \$6.4M including design and construction management. This project was approved the University Board of Trustees at its December 12, 2012 meeting.

Thank you for working through these project requests with me. Understanding that this is a lot of information to take in, I am happy to meet to go over any issues you would like to discuss.

The following materials are submitted with this letter:

1. Copies of the materials required to be submitted by the University to the Secretary in connection with requests for approvals of the New Projects:
 - a. A certified copy of the University's FY2013-17 capital plan duly approved by the University on September 19, 2012, as modified by the University as approved by the Administration and Finance Committee of the Board of Trustees on February 6, 2013 and anticipated to be approved by the Board of Trustees on February 26, 2013. This includes the Previously Approved Projects and the New Projects, as well as the balance of the University's capital plan.
 - b. A copy of the written requests dated January 31, 2013 and February 13, 2013 from the University to the Authority relating to the New Projects.
 - c. A certified copy of the University FY2013 operating budget and the vote authorizing approval thereof.

225 Franklin Street, 12th Floor | Boston, MA 02110
Phone 617-287-3200



University of Massachusetts Building Authority

- d. Historical and projected financial information for the University System and for each campus as well as a memo from Senior Vice President Wilda certifying the validity of the historical and projected financial information, as applicable, including
 - i. Schedule of debt service for FY2008-2017;
 - ii. Projected debt issuance through FY2017;
 - iii. Projected debt service through FY2017;
 - iv. Total annual debt service for FY2008-2017, including existing and projected;
 - v. Total actual or projected annual operating expenses for FY2008-2017;
 - vi. Total actual or projected operating revenues for FY2008-2017;
 - vii. Annual debt service to operating expense ratios for FY2008-2017; and
 - viii. June 30 unrestricted net assets for FY2008-2017.
- e. Guidelines issued by the President's Office for the development of the FY2013 operating budget.
- f. The University's Debt Policy adopted by the Board of Trustees, including provisions regarding affordability.

Thank you for your prompt consideration of these requests. If you additional information from the Authority or the University, please let us know.

Regards,


Katherine Craven
Executive Director

Cc: Scott Jordan, Katie Hammer, Christine Wilda, Patricia Filippone

Attachment 1 – Capital Plan votes from the University Board of Trustees



UNIVERSITY OF MASSACHUSETTS

Amherst • Boston • Dartmouth • Lowell • Worcester

Fiscal Year 2013 to 2017

Five-Year Capital Plan Update

September 2012



University of Massachusetts FY2013 to 2017 Capital Plan Update Executive Summary

The Board of Trustees, the President's Office and campus leadership have identified capital issues as one of the biggest challenges facing the University. Image, reputation, capacity and mission effectiveness require modern and functional facilities.

Investing in the University's capital assets is essential to continuing to improve educational quality at all five UMass campuses and to giving our students the top-notch facilities they all deserve. The facilities at the University of Massachusetts consist of more than 21 million gross square feet, with buildings on the campuses ranging from historic to modern, from agricultural to sophisticated laboratories. Some facilities have been constructed expressly for academic purposes; others have been acquired and converted.

Upgraded facilities will enhance academic achievement and student experience and will bolster the University's ability to continue advancing the Commonwealth's competitiveness by graduating a prepared workforce. Upgraded infrastructure at UMass will also grow the economy by improving the environment for public/private collaborations, innovation, and research & development. Due to the age of our infrastructure and a long period in the 1980s and 1990s of limited investment in capital upgrades, the University found itself with a significant backlog of funding needs in the late 1990s. To address this issue, a major capital evaluation and investment program was implemented that resulted in more than \$2.4 billion invested in capital projects over the ten year period concluding in FY11. Approximately 85% of this activity was self-funded from campus operating funds and University borrowing. The remaining 15% was supported by the state. Preliminary estimates on FY12 capital activity illustrate a positive shift in this ratio of funding sources, with the Commonwealth providing approximately 30% of more than \$400 million spent on University projects.

Despite the major investments since 2001, the University is still faced with the fact that many of our facilities are nearing the end of their useful lives:

- Amherst Campus - 65% built in 1960's & '70's; 25% prior to the 1950's
- Boston Campus - opened in 1974
- Dartmouth Campus - core of campus opened in 1970's
- Lowell Campus - most buildings date to pre-1975 merger
- Medical School - core campus opened 1970

This presents the University with the enormous challenge to maintain and upgrade our capital assets including infrastructure, buildings, and grounds over the next five to ten years. No single source of funds has the capacity to address the vast capital needs of the University. In order to have a successful capital program, the University must rely on a combination of revenue sources to fund its investment in capital improvements. The four general categories of revenue sources are: state support either through general obligation bond funds, economic stimulus funds and supplemental legislative appropriations, financing through the University of Massachusetts Building Authority (UMBA), the Massachusetts Development Finance Authority (MDFFA), or other legally available sources, operating funds and external funding such as private giving and grants.



A number of important developments occurred from 2008 through 2010 that continue to play a primary role in the planning and overall success of the University's efforts to improve and invest in its infrastructure:

- The Commonwealth passed a \$2 billion Higher Education Bond Bill that included over \$1 billion for University projects;
- The Commonwealth passed a \$1 billion Life Sciences Investment Bill that could provide up to \$240 million of capital support to the University.
- The UMASS Building Authority borrowed \$380 million in April and June of 2008 to fund critical projects at Amherst, Dartmouth, Lowell and the Medical School.
- The UMASS Building Authority borrowed \$550 million in October 2009 to initiate projects at all of the University's campuses.
- The UMASS Building Authority borrowed \$547 million in November 2010 to initiate a third round of projects across the University

These important new developments will build on the University's efforts over the past few years to provide new first-class facilities and to address an existing backlog of building repair and renovation projects.

Capital Planning Process

The President's Office works closely with the campuses to coordinate and facilitate the capital planning effort. Due to the fact that each campus has its own unique set of capital needs, the capital plans are different from each other reflecting the strategic priorities of each campus. The campuses have developed ten-year capital master plans following guidelines issued from the President's Office. These ten year plans are updated annually with particular attention given to the next five years of the plan. It is the rolling five-year plans that make up the University capital program and are summarized in this report, which is presented and reviewed by the Board each year. In addition to the annual review of the capital program, Board approval is required for projects in excess of \$1 million that are expected to get underway over the next 24 months.

The University's Five Year Capital Plan Update for FY2013 – FY2017 represents an assessment of the capital priorities for our campuses based on the best available information. From direct experience, all of the campuses are acutely aware that planning assumptions, priority changes, and emergencies can and do alter the best of plans. We also know that both the availability and the manner in which funds are made available will have a significant impact on plans and priorities. Nevertheless, we believe the Capital Plan Update is an accurate assessment, broad enough in scope to accommodate the vagaries of funding as well as emergencies.

In order to improve project planning and implementation across the University, the President's Office and the UMass Building Authority have collaborated with campus leadership to design an integrated project assessment and tracking process. This new approach will allow for a transparent development of project scope and for a strategic financial strategy.

Strategic Priorities Reflected in the University's Capital Plan

Deferred Maintenance - Maintenance and repair projects represent 33% or more than \$1.02 billion of the total spending projected over the next five years. The University is committed to maintaining and upgrading our capital assets so degradation of facilities does not hamper the learning and research environment in the future. The University will need to invest a significant amount of its own operating funds in capital projects. The attached plan shows that the University continues to put funding of its capital plan as one of its top priorities.

Sustainability as a Central Component of Capital Investments: Sustainability, while long an interest of the University community, continues to gain a more prominent role in capital project design, construction, and operating practices. The University is committed to minimizing our impact on the environment and the capital investment strategies put in place by the campuses reflect this commitment. Within budgetary limitations and program requirements, the University aims to incorporate the principles of energy efficiency and sustainability in all capital projects. There are endless examples across the University of sustainability being a driving force within campus capital investment decisions, some of which are highlighted below:

- The Amherst Campus has recently had their newly constructed Police Station and Marching Band buildings achieve LEED Gold certification.
- At the Boston Campus, The Integrated Science Center and the General Academic Building are being designed to achieve LEED Silver certification
- The Dartmouth Campus is heavily into a \$40 million dollar energy and water savings performance contract and they have also erected a 600 kw wind turbine.
- In collaboration with the Commonwealth, solar installations have been completed at the Boston, Dartmouth and Lowell Campuses
- The Lowell Campus has committed to having new buildings and significant renovations designed to meet the criteria of LEED Silver.
- The Medical School will achieve LEED Silver on its Ambulatory Care Center and the Albert Sherman Center.

FY2013 to FY2017 University Capital Needs

The University's FY2013 capital planning process has resulted in a project plan that anticipates \$3.11 billion of spending over the next five years. The five-year capital plan is summarized by project type below:

| FY2013-2017 Capital Plan Spending by Project Type | Total Planned Spending | |
|--|-----------------------------------|-------------|
| Deferred Maintenance, Compliance, & Safety | \$492,559,000 | 16% |
| Renovation & Renewal | \$528,988,439 | 17% |
| Subtotal Maintenance & Repair | \$1,021,547,439 | 33% |
| New Construction | \$1,796,293,000 | 58% |
| Information Technology & Equipment | \$42,150,000 | 1% |
| Other Capital Spending | \$251,756,454 | 8% |
| Total Planned Spending | \$3,111,746,893 | 100% |

As you review the campus detail provided later in this report, you will see that projects are also organized by program type in order to demonstrate the manner in which requested projects in the FY2013-FY2017 capital plan support the University's mission:

| FY2013 to 2017 Capital Plan Spending by Program Type | Total Planned Spending | |
|---|-----------------------------------|-------------|
| Basic Infrastructure | \$892,148,000 | 29% |
| Research | \$725,562,328 | 23% |
| Student Life & Residential | \$581,377,564 | 19% |
| Teaching & Learning | \$912,659,000 | 29% |
| Total | \$3,111,746,893 | 100% |

- **Basic Infrastructure** projects benefit the entire campus and are critical to all operations. Steam lines, power plants, roadways, general public safety improvements such as fire alarm systems and hazardous waste removal systems, and administrative computing are projects that would fall into this category.
- **Research** projects include new research building construction or renovations and improvements to existing research facilities as well as large acquisitions of lab equipment.
- **Student Life** projects include improvements, renovations or the new construction of student centers, dining halls, recreation facilities, dormitories or other facilities that improve the student experience.
- **Teaching & Learning** projects include improvements to or new construction of classroom facilities, auditoria, studios, library facilities and instructional equipment.



The FY2013 to FY2017 five-year spending plan is also summarized by source of funding in Table 1 below. Additional analysis is attached as are summaries of the reports submitted by each campus.

| Source of Funds University of Massachusetts Five Year Capital Plan FY2013- FY2017 | | | | | | | | | | | | |
|--|------------------------|-----|----------------------|-----|----------------------|-----|----------------------|-----|----------------------|-----|------------------------|-----|
| | Amherst | | Boston | | Dartmouth | | Lowell | | Worcester | | Total | |
| Estimated Funds To be Spent FY2013-FY2017 | | | | | | | | | | | | |
| University Local Funds | \$154,399,000 | 13% | \$25,940,000 | 3% | \$4,722,000 | 2% | \$37,450,000 | 7% | \$89,040,000 | 35% | \$311,551,000 | 10% |
| Private Fundraising & Federal Funding | \$107,294,000 | 9% | \$6,500,000 | 1% | \$26,109,830 | 9% | \$38,800,000 | 8% | \$5,200,000 | 2% | \$183,903,830 | 6% |
| University Borrowing | \$548,900,000 | 47% | \$661,100,000 | 74% | \$116,364,063 | 41% | \$292,930,000 | 57% | \$115,000,000 | 45% | \$1,734,294,063 | 56% |
| State Capital Support | \$346,980,000 | 30% | \$203,550,000 | 23% | \$138,868,000 | 49% | \$144,100,000 | 28% | \$48,500,000 | 19% | \$881,998,000 | 28% |
| FY13-17 Programmed Spending | \$1,157,573,000 | | \$897,090,000 | | \$286,063,893 | | \$513,280,000 | | \$257,740,000 | | \$3,111,746,893 | |

As indicated above, the University has supported 85% of its total capital spending in the ten years prior to FY12. As construction continues on major projects being supported by the Higher Education Bond Bill and the Life Sciences Bond Bill, the Commonwealth’s support for capital activity at the University will continue to grow. Governor Patrick’s Administration has pledged to direct at least 10% of the state’s capital spending to higher education with approximately \$1 billion dedicated to University projects from FY09-18. For the next five years, our capital plan anticipates that the state will support approximately 28% of the projected capital activity at the University.

Statutory Authorization

The five-year plan reflects the University’s continued efforts to balance required capital investments with prudent financial management. Realization of the full plan depends upon a financial situation in which the state provides adequate financial support to the University’s capital improvement program in addition to the funds that the University is committed to investing from operating funds, debt financing and external fundraising.

Statutory authorizations, which are approved through capital bond bills, are necessary to allow the Governor to spend state general obligation bond (G.O.) proceeds on University projects. The Executive Office of Administration and Finance (EOAF) and the Division of Capital Asset Management and Maintenance (DCAM) are the state agencies that develop the state’s capital plan, file bond bills, approve projects that will receive state funding, allocate state funds to approved projects and in the case of DCAM, design, manage and construct public facilities and improvements. The University works with EOAF and DCAM to identify capital needs to be supported by bond bill authorizations, develop project priorities and funding schedules and to work through the entire project completion process from study to design through construction.

In June of 2006, the Legislature passed chapters 122 and 123, the Economic Stimulus and Supplemental Appropriations bills which included funding for UMASS projects are included in the University’s capital plan. \$50 million was transferred to UMBA to support deferred maintenance projects, \$4 million was spent on creating the Venture Development Center at the Boston Campus, \$35 million has been transferred to the University to support the construction of the Emerging Technology and Innovation Center at the Lowell Campus, and \$15 million has been dedicated for a



Biomufacturing Facility in Fall River which will support the research enterprise of the Dartmouth Campus. In May of 2007 the University submitted an \$840 million higher education bond bill request to the administration and the legislature. The request reflected master planning and facilities condition reviews that were underway at each of our campuses. Later that year, Governor Patrick filed his Life Science Initiative and the Higher Education Bond Bill that incorporated the University’s capital priorities. Both bills were passed into law and serve as funding sources for a group of significant projects underway across the University. The following two sections summarize the impact of the two new laws on UMASS.

Chapter 258 of 2008 – The Higher Education Capital Improvement Act

The Higher Education Capital Improvement Act (the Higher Education Bond Bill) authorizes more than \$1 billion of funds toward projects exclusive to UMass. Of the funds dedicated to the University, 63% or \$628,682,500 is earmarked for specific projects DCAM has recognized the importance of the higher education investment program and has reorganized itself accordingly.

Chapter 130 of 2008 – The Life Sciences Industry Investment Act

The law is designed to enhance the state’s strengths in the fields of medicine and science and fill gaps in federal funding to ensure the state’s ability to support life sciences innovations from idea to product. In addition to capital funding, the \$1 billion Life Sciences Initiative provides a number of opportunities for the University to participate in the planning and program implementation of this important economic development effort. The package includes:

- \$500 million in Capital Funding to be spent over a 10 year period; \$299.5 million for targeted infrastructure projects and the balance - \$200 million in unrestricted funds for investment in public infrastructure projects, at the discretion of the Massachusetts Life Sciences Center (MLSC). \$241 million of the designated projects are directed toward UMASS campus facilities and programs.
- \$25 million each year for 10 years for the MA Life Sciences Investment Fund, held at the MLSC, for loans, grants, fellowships, and investments to stimulate increased research and development in the life sciences sector.
- \$25 million each year for 10 years in tax incentives to be awarded to certified life sciences projects.

| Chapter 130 of 2008 The Life Science Industry Investment Act | |
|---|----------------------|
| Earmarked (designated) UMASS Projects | Project Cost |
| An Advanced Therapeutics Cluster (the "Albie Sherman Center"), Worcester | \$90,000,000 |
| Life Sciences Research Center Complex, Amherst | \$95,000,000 |
| Emerging Technology Innovation Center, Lowell | \$10,000,000 |
| Grant to acquire the ATMC facility, Dartmouth | \$11,400,000 |
| Marine Biological Lab at Woods Hole, Dartmouth | \$10,000,000 |
| Center for Personalized Cancer Therapy, Dana-Farber Harvard Cancer Center, Boston | \$10,000,000 |
| Appropriation for Pioneer Valley Life Sciences Initiative lease, Amherst | \$5,500,000 |
| New Bedford Life Sciences Incubator, Dartmouth | \$5,000,000 |
| Taunton Life Sciences Incubator, Dartmouth | \$5,000,000 |
| Total UMASS Earmarks | \$241,900,000 |
| TOTAL LIFE SCIENCES CAPITAL PROGRAM | \$500,000,000 |

State Support in FY2013 - 2017

The University has been working closely with EOAF as it develops the state's FY13-17 capital spending plan. The plan lays out state capital investment for the next five years, including investments the University can expect via the Higher Education Bond Bill. For many of the projects earmarked in the higher education and life sciences bond bill, construction is underway or ready to commence. EOAF remains committed to spending the full bond authorization in a ten-year period and this prioritization of higher education has been reflected in the Administration's planning documents. The University continues to lobby EOAF to spend out the University's state-funded capital authorizations in the quickest, most strategic manner possible. On several projects, including the New Laboratory Science Building at Amherst, the Academic Classroom Building at Amherst, and the Integrated Science Complex at Boston, the campuses have matched the Commonwealth's funding in order to increase the project pace and to create facilities that will anchor the campuses for decades.

University Borrowing

The capital plan proposes using \$1.73 billion in funds borrowed primarily through the UMASS Building Authority (UMBA), although there are other financing avenues used by the University for segments of the capital plan. Examples include clean energy bond programs sponsored by the Commonwealth and financing agencies such as the Massachusetts Health and Education Facilities Authority (HEFA).

It is important to note that the University has approximately \$770 million of funds currently borrowed for the projects identified on the capital plan leaving approximately \$1 billion to be borrowed during the five-year planning period. With major bond issuances completed by UMBA in FY2010 and FY2011, the University anticipates that the next bond issuance will occur in 2013.

Board Approval

The trustees are being asked to review the University's capital plan detailing projected spending for the five-year period FY2013 to 2017 and to vote on a specific subset of projects that are expected to get underway over the next 24 months. This will include:

1. any new construction project over \$1,000,000 as required by University policy (detailed in Appendix A) and,
2. any update in total project cost for individual projects that are estimated to have increased by 20% or more over amounts previously approved by the Trustees (detailed in Appendix B).

The following pages provide greater detail and analysis on the University's capital plan including summaries of campus capital plans and a full listing of capital projects.

**CAPITAL PLAN UPDATE
FY2013-2017
UNIVERSITY OF MASSACHUSETTS - AMHERST**

The Amherst campus capital plan is focused on a five-year planning timeframe from FY13 through FY17 and is organized to identify funded projects by designated funding sources. The funded project list includes projects that are currently underway or that are planned to begin in the next year.

The Amherst campus maintains an updated comprehensive database of facilities condition and space utilization information for the campus built environment. The campus relies on comprehensive academic program and space utilization studies of science, engineering, classroom and academic space to inform the implementation of the Master Plan and capital priorities. This capital plan will provide new and modernized facilities to meet the demands of an increasingly competitive market in higher education. It also recognizes that our deferred maintenance backlog and growing inventory of obsolete space must be addressed to remain competitive as a leading public research university.

As the University's flagship institution, the Amherst campus has established a goal to become one of the best public universities in the country. Primary among the challenges is the need to maintain a strong, nationally competitive faculty in order to maintain top quality instructional and research programs that will in turn attract and retain top quality students. This requires the ability to attract new and retain existing faculty that are nationally and internationally recognized in their fields. The Amherst capital plan is structured with priorities that support the strategic challenges and campus goals of improving teaching, increasing research, enhancing student life and recruiting/retaining quality students and faculty. The underlying strategy of the plan is to balance capital investments between all of our facility needs required to support the goals and strategic priorities of the campus and the University. Thus, the priorities within the capital plan are balanced between new construction, facilities modernization and sustaining existing facilities through the reduction of deferred maintenance.

In order to make continual progress on our facilities improvement and development goals, the campus will need to continue to pursue an aggressive funding strategy to complete high priority capital projects. The Amherst campus continues to rely heavily on allocations from the campus operating budget, including borrowing through the UMBA, to fund capital projects. The campus has committed approximately \$95 million of campus operating funds to service debt and support the implementation of the capital plan. The capital plan anticipates additional borrowing through the UMBA within the next five years.

The current capital plan includes significant State funding from the Higher Education Bond Bill and the Life Science Initiative to address several important capital projects including new construction and much needed renovations. The State has committed \$100M to the construction of one of our highest priorities, the Life Science Laboratories, which is a key component in supporting the campus goal of increasing research and recruiting top faculty, and \$65M to the construction of the New Academic Classroom Building.

In order to sustain and build upon our current progress, the campus recognizes the need to seek additional funding from other sources including private donations and Federal grants. Recently, private donations partially supported construction of the Integrated Sciences Building and the George N. Parks Minuteman Marching Band Building. Currently, the Isenberg School of Management has targeted raising \$24M to support an addition to their building, and the Champions Center project for Men's and Women's Basketball includes fundraising of over \$14M. The campus continues to pursue private donations for new construction.

The campus was also successful in obtaining over \$7M in Federal grants to partially support the construction of the new Integrated Sciences Building. The campus also obtained a \$7M grant from the National Institutes of Health for renovations to the Lederle Graduate Research Center to support research. Additionally, the College of Natural Sciences raised nearly \$2M for laboratory renovations for the Health and Wellness Center in the Food Science Department. The campus is also seeking external funds through grants and private donations for fit-out of the shell space in the Life Science Laboratories. Successful fundraising to support our capital needs remains a high priority.

FY13 Current Projects:

The campus has completed or is nearing completion of several major new projects that will provide modern facilities to support our teaching and research mission. Many more projects are underway and many of the previously funded major projects are in the construction phase. At the completion of FY12, capital expenditures in the past three years at the Amherst campus was approximately \$450M with over \$200M expended in FY12. The priorities in the current plan are highlighted below.

1. **Reduction of deferred maintenance/code compliance:** The reduction of deferred maintenance and upgrades to address code compliance continues to be a high priority in the Amherst campus capital plan. Our capital plan addresses deferred maintenance in several ways; reduction of DM through building repairs, reduction of DM through modernization of outdated facilities and reduction of DM through demolitions enabled by new construction. In the past year the campus completed over \$50M of projects that reduced our deferred maintenance and code compliance backlog with several other projects on-going in the planning, design or construction phase. With the assistance of Sightlines, the campus maintains a comprehensive database of critical facility repair needs that guides the prioritization of capital projects. This data also allows the campus to track progress in reducing our DM liability, and indicates that significant progress has been made in reducing our deferred maintenance liability through capital expenditures over the last three years. However, the campus must continue to address deferred maintenance and this year’s capital plan continues to place a high priority on DM.

2. **New Construction:** Construction of the new Life Science Laboratories (Figure 1) has progressed in the past year. The new building is on schedule for completion in the spring of 2013 with a target for LEED Gold certification.



Figure 1 - Life Sciences Laboratories (I and II)

Construction of the new Commonwealth Honors Residential College Complex (Figure 2) continues on schedule for completion by summer 2013 and will include about 1,500 student beds, faculty apartments, classroom space and administration/student services space for the Honors College. The new complex is targeted for LEED Gold certification.



Figure 2 - Commonwealth Honors College Residential Complex

Construction of the New Academic Classroom Building (Figure 3) began in March of 2012 and is scheduled for completion in the spring of 2014. This facility will provide new classrooms and academic department space for Communications/Journalism and Linguistics fit-out with state-of-the-art technology. This building is targeted for LEED Gold.



Figure 3 - New Academic Classroom Building

Design is progressing on other priority projects including improvements to McGuirk Alumni Stadium, a Champions Center for men's and women's basketball (supported by a lead donation of \$10M), and the Physical Sciences Building.

3. **Renovations/Modernization:** In the past year, the campus completed renovation/modernization projects to support new faculty hires in several laboratory buildings. With funding from NIH, construction continues in the Lederle Graduate Research Tower and construction has progressed on a major building systems upgrade project in Goessmann Lab. A building-wide renovation project at Paige Laboratory is in design. The campus completed two pilot Team-Based Learning classrooms to support evolving teaching and learning needs. We are proceeding with several other important renovations to support new faculty hires and research activities in various academic programs. These and other renovations are part of the campus strategy to upgrade existing facilities and provide modern laboratory and teaching space.
4. **Energy Performance/ Sustainability:** The campus has completed several projects that have improved energy performance in facilities on the Amherst campus in the past several years with a remarkable return on investment. These efforts have reduced steam, water and electric consumption at the same time we have added new facilities. The campus is committed to an on-going strategy of achieving significant energy performance improvements in existing and new facilities. The campus recently completed a major infrastructure improvement project replacing deteriorated steam, water and electric utilities servicing the north campus. Design has progressed on a similar infrastructure improvement project in the central campus that will replace deteriorated infrastructure and provide reliable and efficient utility connections for the New Academic Classroom Building and the new Commonwealth Honors College Residential Complex. Planning is also starting on a similar University Drive infrastructure project that will service the southern portion of campus. The campus has established a Green Building Design Committee to provide leadership in sustainability efforts for the built environment. This committee has published Green Building Design Guidelines for new construction (with the UMass Police Station and the George N. Parks Minuteman Marching Band Building being the first two certified LEED Gold buildings on campus) and sponsored a pilot project to establish a program for retro-commissioning existing buildings to reduce energy usage. With the installation of a 1.6MW steam turbine in the new Central Heating Plant, the campus now generates over 70% of our electric usage. The campus is also planning a new electric substation that would result in annual utility savings of approximately \$1,000,000, and a temporary Liquefied Natural Gas installation that will provide an additional \$2,000,000 of fuel cost savings yearly. If feasible, these projects could be funded through the State Clean Energy Investment Fund. The campus is continuing to implement smaller energy reduction projects that are financed through the energy savings achieved by the project.
5. **Campus Master Plan Update:** A new Campus Master Plan was completed in April of 2012. It was developed through a participatory process with input gathered from a diverse constituency of campus and community groups in over 100 meetings held throughout the previous year. The goals highlighted in the updated master plan include:
 - Addressing the programmatic needs of the Amherst campus
 - Providing up-to-date facilities
 - Integrating a large campus with overlapping neighborhoods
 - Strengthening campus open spaces
 - Improving campus connections
 - Creating a compact, vibrant and sustainable campus

The projects included in the FY13-17 capital plan reflect the strategic goals and priorities of the campus master plan. They also include increasing the number of faculty and students as well as research grants. Projects in the capital plan support these goals in several ways.

Teaching and Learning: The campus has completed two pilot projects providing new team based learning classrooms in our existing facilities. These new classrooms are designed to support group interactive learning and serve as a model for the development of similar classrooms planned for the New Academic Classroom Building. The planned New Academic Classroom Building will provide a mix of state-of-the-art classrooms and academic space to improve our inventory of campus teaching and learning space. The planned new academic buildings to replace Hills and Bartlett and renovations to Furcolo are part of our strategy to improve the teaching and learning experience on campus. These new facilities will help in retaining and recruiting quality faculty and will support student recruitment to achieve our enrollment goals.

Research: The plan includes the development of new research support facilities and quality research space in the Life Science Laboratories currently under construction. These premier projects as well as several renovations included in the plan will support current and enable development of new research initiatives. These projects provide modern research space that is essential to achieve our goals for recruiting new faculty and increasing research grant funds. The plan includes the planned development of additional research space in the future with the Life Science Building, renovation of backfill space upon completion of the Life Science Laboratories and a planned new Physical Science Building.

Campus Life: The new Commonwealth Honors College Residential Complex is an exciting new development and will provide a quality living/learning environment for existing students and support the expansion of the Honors College program and enrollment growth in general. In addition, planned renovations in the existing residence halls will improve the student housing experience. The recently completed southwest exterior concourse project has provided improved accessibility, rain gardens with integrated seating areas and improved site lighting for the students residing in the Southwest Halls. At the end of the summer of 2012, all undergraduate housing will be sprinkled. A two-phased, \$12M renovation of the Lincoln Campus Center Concourse is scheduled to be completed to coincide with the opening of the adjacent New Academic Classroom Building in the spring of 2014. A \$15M renovation of the Hampshire Dining Common will be completed to coincide with the opening of the Commonwealth Honors College Residential Complex.

The Amherst campus is committed to protect its investment in new facilities as they are constructed. The campus sets aside 1.5% of the construction cost/year for all newly constructed facilities to fund term maintenance needs. This represents our on-going strategy to provide funding for facility renewal over the life cycle of the facility and prevents the deferral of required maintenance. In addition, we budget 3.5% of the construction cost/year for operational and routine maintenance required to keep the new buildings in good shape. These budget amounts are consistent with industry standards in facility management aimed at providing the appropriate stewardship of our new facility assets.

The FY13-17 capital plan represents a continued major investment in the future of the Amherst campus. It reflects the established goals of the campus and strategic priorities of the University through a balanced investment program that addresses critical repairs, maintains health and safety standards, provides new and modern teaching and research facilities and improves student life.

Deferred Maintenance Status Report – August 2012

The reduction of deferred maintenance (DM) on the Amherst campus has been a high priority for over ten years. A comprehensive facilities condition assessment completed in 1998 documented the deferred maintenance deficiencies for all campus buildings. This assessment showed that 25% of the campus space was in deficient condition. Subsequently, the campus leadership established a capital pool from the campus operating budget to provide annual funding to address this deferred maintenance. In addition to this pool, there have been several one-time allocations to fund the reduction of DM and the percentage of our borrowing dedicated to DM reduction has grown steadily over the past five years. Working with Sightlines Facilities Asset Advisors, the campus has established a program to track the results of our investments in DM reduction. Physical Plant personnel identify and enter new deficiencies in the database as they are found in the field. As deficiencies are corrected through repairs, renovations, demolitions or new construction, the database is updated by removing the deficiencies.

Facilities Portfolio

The Amherst campus has over 10 million gross square feet of building space on the 1,400 acre main campus. A large infrastructure network including roadways, walkways, steam, water, electric, sewer and drainage systems support the campus buildings. The facilities portfolio is comprised of diverse building types and space ranging from simple office space to complex research laboratories. The campus has 500 buildings ranging in age from 1-year to 160 years old. Approximately 80% of our campus buildings are over 25 years old and approximately 53% are over 40 years old. Typically, at the age of 25 years many building systems and components are worn out and should be replaced. At the age of 40 years most major building systems have reached the end of their useful life and should be replaced. The failure to replace systems at these intervals results in a deferred maintenance backlog. The deferred maintenance backlog on the Amherst campus is estimated at approximately \$1.6 billion.

Deferred Maintenance Projects

The campus has a significant volume of projects focused on DM that are at various stages of completion. The total value of the investment in these projects is over \$100M. These projects span a large cross-section of campus buildings and infrastructure including multiple projects in Lederle Graduate Research Center, Morrill Science Complex, Dubois Library, Goessmann, numerous residence halls and others. Major infrastructure projects include the Central Campus and University Drive Infrastructure projects. In addition, we have many renovation/modernization projects that will also correct DM deficiencies. These include renovations in Marks Meadow, Paige, Hampshire Dining Commons, Lincoln Campus Center Concourse, Goodell and various residence halls.

Campus Long-term Strategy for DM Reduction

Construction Strategy:

The reduction of DM on the Amherst campus is a large scale and complex problem. It took a long time to accumulate this DM backlog and it requires a multi-faceted approach over a long period of time to reduce it. Our strategy places a high priority on targeting critical repair projects that not only correct deficiencies but also eliminate or prevent collateral damage in buildings. For example, building roof and envelope repairs/replacements are targeted as a high priority to prevent water/weather damage to building interiors which can be more costly to repair than the building envelope. Building mechanical/electrical/plumbing system and infrastructure repair/replacement is a high priority to improve operational efficiency and reduce energy consumption. All of our large renovation and modernization projects reduce DM by replacement of obsolete building systems as well as

code compliance improvements. Renovations also increase the value of our facilities by making functional improvements. In smaller renovation projects we proactively look for opportunities to correct building deficiencies and provide adequate project budgets to address DM while contractors are working in a building. DM reduction is also targeted through new construction. With the completion of the Bowditch Greenhouse project, the French Greenhouses that are deteriorated beyond repair will be demolished. Our plan includes the replacement and demolition of Hills and Bartlett buildings. As we build and occupy new buildings, the reuse of the vacated space is targeted for its highest and best use. The campus has developed general building design guidelines and green building design guidelines that set standards for new construction and renovations. The purpose of these standards is to increase longevity and reduce life-cycle costs of our buildings.

Financial Strategy:

At the completion of all new buildings, the campus allocates 3.5% of the construction cost to the Physical Plant operating budget. This funding is dedicated to the routine operations and maintenance of the new building. In addition, the campus sets aside 1.5% of the construction cost for long-term maintenance and repairs. We have significantly increased our reliance on borrowing dedicating a considerable investment in reducing DM through building repairs, renovations and new construction. We have an on-going E+ program whereby the campus provides funding for projects that can generate operational/energy savings to pay for themselves in seven years or less. Revenue operations on the campus maintain R&R funds for routine and long-term maintenance needs. Although we face challenges in obtaining the funding required to address all of our needs, the FY12-16 and FY13-17 capital plans target a 24% reduction of DM by FY16. The following chart illustrates how we plan to achieve the reduction.

Deferred Maintenance Roll Forward (FY12-FY16) - (in millions of \$)

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | Totals |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Starting Deferred Maintenance | 1,686 | 1,588 | 1,518 | 1,435 | 1,385 | |
| Spending on Deferred Maintenance projects (1) | | (41) | (48) | (39) | (48) | (176) |
| Spending on Deferred Maintenance in renovation projects (2) | | (34) | (40) | (25) | (8) | (107) |
| Deferred Maintenance escalator (1%) | | 16 | 15 | 14 | 14 | 59 |
| Decrease in Deferred Maintenance from demolition (3) | | (11) | (10) | 0 | (68) | (89) |
| Total Ending Deferred Maintenance | 1,588 | 1,518 | 1,435 | 1,385 | 1,275 | |
| Percent Reduction from 7/1/11 | (5.8%) | (10.0%) | (14.9%) | (17.9%) | (24.4%) | |

Notes:

- (1) 100% of spending on projects coded as DM for FY13-16
- (2) 50% of spending on projects coded as RV for FY13-16
- (3) Reduction to existing Deferred Maintenance balances due to demolition of Bartlett, French Greenhouse, Power Plant, Hills and Munson Annex.



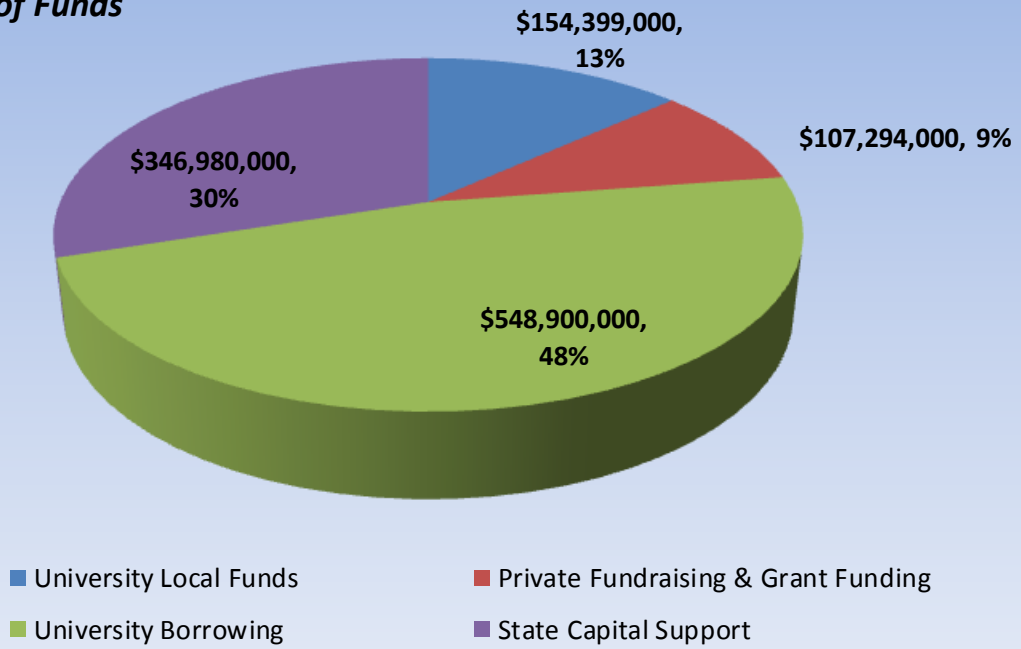
University of Massachusetts FY13 Capital Plan Update
Amherst Campus Projects

| Campus Priority | <u>Campus Project Names</u> | <u>Project Type</u> | <u>Program Type</u> | <u>Total Project Cost</u> <u>Est. August 2012</u> | <u>Five Year Spending</u> <u>Anticipated FY13-17</u> <u>Cash Flow</u> |
|----------------------------|---|---------------------|---------------------|--|---|
| Programmed Projects | | | | | |
| 1 | Housing Expansion | NC | SL | \$188,000,000 | \$129,000,000 |
| 2 | Life Science Laboratories | NC | R | \$160,000,000 | \$44,444,000 |
| 3 | Academic Classroom Building | NC | TL | \$91,000,000 | \$75,700,000 |
| 4 | Life Science Laboratories, OIT data center fitout | NC | BI | \$7,000,000 | \$7,000,000 |
| 5 | Physical Sciences Building | NC | R | \$85,000,000 | \$80,800,000 |
| 6 | Integrated Sciences Building fitout | NC | TL | \$2,000,000 | \$1,944,000 |
| 7 | Hills Replacement Building | NC | TL | \$25,800,000 | \$25,800,000 |
| 8 | Bartlett Replacement Building | NC | TL | \$50,000,000 | \$50,000,000 |
| 9 | Liquified Natural Gas infrastructure | NC | BI | \$900,000 | \$900,000 |
| 10 | McGuirk Stadium Improvements | NC | SL | \$34,500,000 | \$34,000,000 |
| 11 | Champions Center | NC | BI | \$25,000,000 | \$25,000,000 |
| 12 | Life Sciences Facility | NC | R | \$95,000,000 | \$73,500,000 |
| 13 | New Substation and Electrical Upgrades | NC | BI | \$40,000,000 | \$40,000,000 |
| 14 | Isenberg School of Management renovations and addition | NC | TL | \$40,000,000 | \$40,000,000 |
| 15 | School of Public Health facilities study | NC | R | \$500,000 | \$500,000 |
| 16 | Life Science Laboratories Fit out | NC | R | \$50,000,000 | \$50,000,000 |
| 17 | Relocate Chemical Storage Facility Study | NC | BI | \$500,000 | \$500,000 |
| 18 | Parking garage/multi-modal center study | NC | BI | \$500,000 | \$500,000 |
| 19 | Lederle Graduate Research basic systems upgrades | DM | BI | \$10,305,000 | \$1,800,000 |
| 20 | Morrill complex repairs and renovations | DM | BI | \$9,081,000 | \$4,000,000 |
| 21 | McNamara & Brown roof, parapet and masonry | DM | SL | \$3,300,000 | \$1,600,000 |
| 22 | Kennedy & Washington laundry venting | DM | SL | \$1,700,000 | \$900,000 |
| 23 | Dickinson House, Field & Webster elevator | DM | SL | \$1,500,000 | \$1,200,000 |
| 24 | DuBois Library Elevator Replacement | DM | BI | \$5,000,000 | \$1,500,000 |
| 25 | DuBois Library Electrical, Plumbing, Fire Suppression, Deferred Maintenance | DM | BI | \$25,000,000 | \$22,450,000 |
| 26 | Machmer Repairs | DM | TL | \$12,600,000 | \$6,000,000 |
| 27 | Totman Physical Education Building MEP | DM | BI | \$1,000,000 | \$900,000 |
| 28 | Fine Arts Center fire protection and emergency generator | DM | BI | \$3,250,000 | \$3,000,000 |
| 29 | ISOM architectural and MEP | DM | BI | \$2,000,000 | \$1,850,000 |
| 30 | Bartlett Deferred Maintenance & Façade | DM | TL | \$2,000,000 | \$1,300,000 |
| 31 | Webster, Grayson, Field window/masonry | DM | SL | \$13,500,000 | \$8,700,000 |
| 32 | Lincoln Apartments Utilities | DM | BI | \$1,500,000 | \$80,000 |
| 33 | Morrill IV Bridge replacement | DM | BI | \$500,000 | \$475,000 |
| 34 | Research Admin, MEP & fire alarm | DM | BI | \$1,500,000 | \$1,490,000 |
| 35 | Physical Plant deferred maintenance & renovations | DM | BI | \$7,500,000 | \$7,200,000 |
| 36 | Water tank repairs | DM | BI | \$1,000,000 | \$1,000,000 |
| 37 | Lederle Graduate Research Center Window encapsulation/replacement | DM | BI | \$4,500,000 | \$4,500,000 |
| 38 | Lederle Research Center Repairs and Renovations | DM | R | \$41,250,000 | \$39,500,000 |
| 39 | Morrill Science Center Renovations | DM | R | \$51,300,000 | \$47,300,000 |
| 40 | Farm and outlying stations renovations | DM | BI | \$4,500,000 | \$4,500,000 |
| 41 | Whitmore deferred maintenance | DM | BI | \$14,000,000 | \$14,000,000 |
| 42 | Hadley Farm Manor House repairs | DM | TL | \$600,000 | \$600,000 |
| 43 | Marston Repairs and Renovations | DM | TL | \$6,000,000 | \$6,000,000 |
| 44 | Roadway/Sidewalks/Parking lot Repairs and Improvements | DM | BI | \$5,000,000 | \$5,000,000 |
| 45 | Landscape Improvements | DM | BI | \$1,500,000 | \$1,500,000 |



| Campus Priority | Campus Project Names | Project Type | Program Type | Total Project Cost | Five Year Spending |
|----------------------------|---|--------------|--------------|------------------------|-------------------------------|
| | | | | Est. August 2012 | Anticipated FY13-17 Cash Flow |
| Programmed Projects | | | | | |
| 46 | Deferred Maintenance & Modernization Projects | DM | BI | \$15,000,000 | \$15,000,000 |
| 47 | Replace Oil Filled Transformers | DM | BI | \$2,000,000 | \$2,000,000 |
| 48 | Intermediate Processing Facility DM/Sitework | DM | BI | \$500,000 | \$500,000 |
| 49 | Housing Sprinkler Systems | HS | BI | \$23,000,000 | \$4,600,000 |
| 50 | Fine Arts Center fire protection | HS | BI | \$2,500,000 | \$2,500,000 |
| 51 | Facility Demolitions | O | BI | \$12,800,000 | \$12,100,000 |
| 52 | Central Campus Infrastructure | O | BI | \$25,000,000 | \$24,700,000 |
| 53 | Chilled Water Loop | O | BI | \$3,000,000 | \$2,000,000 |
| 54 | University Drive Infrastructure | O | BI | \$8,000,000 | \$8,000,000 |
| 55 | Solar Panels | O | BI | \$2,350,000 | \$2,350,000 |
| 56 | Lot 12 environmental | O | BI | \$1,500,000 | \$1,500,000 |
| 57 | Coal Yard Decommission | O | BI | \$1,000,000 | \$1,000,000 |
| 58 | Life Safety/Code Compliance | O | BI | \$5,000,000 | \$5,000,000 |
| 59 | Campus Security Improvements | O | BI | \$5,000,000 | \$5,000,000 |
| 60 | Campus Infrastructure | O | BI | \$13,000,000 | \$13,000,000 |
| 61 | North Pleasant Street Road Improvements | O | BI | \$9,000,000 | \$9,000,000 |
| 62 | Wayfinding and Signage | O | BI | \$1,000,000 | \$1,000,000 |
| 63 | Property Acquisitions | O | BI | \$1,500,000 | \$1,500,000 |
| 64 | Marks Meadow/Furcolo Renovations | RV | TL | \$21,400,000 | \$21,400,000 |
| 65 | ADA Accessibility | RV | BI | \$6,000,000 | \$6,000,000 |
| 66 | Lederle Research Center Faculty Renovations (NIH) | RV | R | \$12,700,000 | \$5,950,000 |
| 67 | Paige Lab Renovations | RV | BI | \$9,900,000 | \$9,600,000 |
| 68 | Hampshire DC renovations | RV | SL | \$15,000,000 | \$14,950,000 |
| 69 | Lincoln Campus Center Concourse Improvements | RV | SL | \$12,000,000 | \$11,900,000 |
| 70 | Academic Renovations Pool | RV | TL | \$2,500,000 | \$2,500,000 |
| 71 | Campus Space Reallocation | RV | BI | \$5,000,000 | \$5,000,000 |
| 72 | Housing Repair & Renovation | RV | SL | \$25,000,000 | \$25,000,000 |
| 73 | Classroom Renovations | RV | TL | \$2,000,000 | \$2,000,000 |
| 74 | Goessmann Renovations | RV | R | \$15,000,000 | \$6,800,000 |
| 75 | Hampden Dining/Student Union Study | RV | SL | \$400,000 | \$400,000 |
| 76 | New Faculty Hire Renovations | RV | R | \$14,000,000 | \$13,000,000 |
| 77 | Electrical/other infrastructure | RV | BI | \$5,000,000 | \$5,000,000 |
| 78 | Hills relocations | RV | TL | \$4,000,000 | \$4,000,000 |
| 79 | Goodell deferred maintenance & renovations | RV | SL | \$3,500,000 | \$3,490,000 |
| 80 | Machmer renovations | RV | TL | \$1,200,000 | \$1,200,000 |
| 81 | Tobin Renovations | RV | R | \$1,000,000 | \$1,000,000 |
| 82 | Fine Arts Center renovations | RV | TL | \$9,000,000 | \$9,000,000 |
| 83 | New Africa House renovations | RV | BI | \$1,700,000 | \$1,700,000 |
| 84 | Office Renovations | RV | BI | \$10,000,000 | \$9,000,000 |
| 85 | Life Science Laboratories backfill renovations | RV | R | \$18,000,000 | \$18,000,000 |
| 86 | Dining Commons Renovations/Study | RV | SL | \$1,000,000 | \$1,000,000 |
| 87 | Old Chapel Renovation/study | RV | BI | \$1,000,000 | \$1,000,000 |
| Total Projects | | | | \$1,454,036,000 | \$1,157,573,000 |

**Amherst Campus FY13-17 Capital Plan
Source of Funds**



CAPITAL PLAN UPDATE
FY2013-2017
UNIVERSITY OF MASSACHUSETTS - Boston

Laying the New Foundation



“The beautiful rests on the foundations of the necessary.” (Ralph Waldo Emerson)

Introduction

In the late 1700s, America’s first President, George Washington, was set to retire to his beloved Mount Vernon, having overseen the historic period that cemented the United States’ independence. His greatest “unfinished” work was bringing about the “internal improvements” that would foster communication and transportation routes between the new states and bring closer together the remote parts of the new continent. These improvements were championed not by Washington’s successor Presidents, Adams or Jefferson; rather, it was Jefferson’s Treasury Secretary, Albert Gallatin, who prepared the first detailed plan for the construction of canals and roads. In recognizing and planning for “the foundations of the necessary,” Gallatin authored a road map of internal improvements that would prove crucial to future national interests and the common good of the evolving nation.

UMass Boston's Master Plan is no less a crucial road map for the future of Boston's only public university. It is based upon the strategic needs of the university, as determined by its overseers – its academic and administrative leaders.

The theme of UMass Boston's FY2013 Capital Plan, *Laying the New Foundation*, aptly reflects the strategic capital initiatives contained in the university's Master Plan, which are being undertaken to secure this great university's future.

UMass Boston's Facilities Portfolio

UMass Boston is the steward of a facilities portfolio that includes 17 buildings on more than 122 acres adjacent to the harbor on Columbia Point peninsula in Boston and five buildings on the island of Nantucket, as follows:

1. Bayside
2. Calf Pasture Pumping Station
3. Campus Center
4. Clark Gymnasium
5. Clark Pool
6. Clark Rink
7. Gatehouse
8. Healey Building
9. McCormack Hall
10. Quinn Administration Building
11. Salt Water Pump House
12. Science Center
13. Service and Supply Building
14. Switchgear Building
15. Utility Plant
16. West Shaft Entrance Building
17. Wheatley Hall
18. Nantucket Field Station: Director's Residence/Workshop
19. Nantucket Field Station: Dormitory/Main House
20. Nantucket Field Station: Gouin Village
21. Nantucket Field Station: Laboratory
22. Nantucket Field Station: Little Beach House

There are more than two million square feet of built space at UMass Boston on Columbia Point. Utilities are distributed from a centralized Utility Plant and pedestrian circulation occurs through a continuous enclosed bridge called the "catwalk" that is almost ¼ mile in length and provides a weather-protected network between buildings.

Since 2007 when Chancellor Motley was appointed to lead UMass Boston, enrollment at UMass Boston has increased over 19%, from 13,433 in the fall of 2007 to an estimated 16,000 students for the fall of 2012, placing enormous strain on the current physical plant. Our five-year strategic plan provides the blueprint to grow to 18,000. This growth will be achieved as the campus implements the first phase of its Master Plan, constructing the first new academic buildings in nearly 40 years, the Integrated Sciences Complex and the General Academic Building No. 1. Additionally, we are upgrading our Utility Plant and relocating utilities and roads to accommodate our increased enrollment while preparing for continued student growth and other educational changes anticipated with the implementation of UMass Boston's strategic plan.

Any discussion of capital strategy at UMass Boston needs first to acknowledge several important historic and geographical characteristics of the campus:

1. Prior to its being designated as the site for the UMass Boston campus, a portion of the land had served as a garbage dump for the City of Boston, the Mile Road Landfill; a portion of it had been used as the main site of the Boston Consolidated Gas Company, and a portion of it was used as the site of the city's first facility to collect and discharge raw sewage out to Boston Harbor. These conditions have necessitated sub-slab methane venting systems. Humble beginnings, surely.
2. Except for the Clark Athletic Center (1977) and the Campus Center (2004), the UMass Boston campus and buildings were built all at the same time, opening to students in 1974. While the Commonwealth provided funding for the original construction of the "Harbor Campus," it did not provide funding to correct significant construction deficiencies identified shortly after the opening of the campus. Like nearly all academic institutions, the university's budget for operations, maintenance, and planned renewal has not been sufficient to prevent the accumulation of deferred maintenance. While buildings of this age and at this level of deterioration are not unique on college campuses, it is more problematic when an entire campus of buildings reaches this juncture simultaneously.
3. The campus was originally constructed as a series of separate buildings interconnected by a plaza two stories above grade, with two substructure levels located below the plaza. The substructure levels were used for parking until 2006, when safety concerns resulted in the garage's closure.
4. After its construction, the UMass Boston campus and other public construction projects of the same era experienced unexpected problems, and a *Special Commission Concerning State and County Buildings in Massachusetts* was appointed. That Commission, called the Ward Commission after its chairman, John Ward, found that two state senators had accepted payoffs from a construction firm involved with the construction of the campus. As a result, concerns about inferior workmanship have followed the buildings from this era; there may, however, be as many problems related to lack of regular maintenance over the past 40 years as to original construction.
5. UMass Boston is located on a flight path into Logan International Airport and careful attention is paid to building glazing to ensure that flight noise is attenuated.
6. Years of exposure to salt-laden water caused severe and widespread corrosion damage to the substructure levels of the campus as well as to the plaza between the buildings. The cost to repair these conditions was great (estimated at \$160m in 2005) and the campus faced other facilities issues as well, including the very fortunate fact of rapid growth in enrollment. Consequently, a decision was made to undertake a Master Plan to take a more comprehensive planning approach to these issues.

The Master Plan that resulted, which Chancellor Motley presented to the Board of Trustees in December 2007, is guiding the physical transformation of UMass Boston.

Laying the New Foundation

UMass Boston’s physical transformation has been underway over several years and the titles of its recent Capital Plan narratives say much about the course that transformation has taken:

- The FY09 capital plan, *Beyond the Headlines*, documented how UMass Boston would address the cloud that its deteriorated Substructure cast over its capital strategy. The plan detailed, among other capital projects, a series of projects to stabilize and make the Substructure useable for ongoing operations.
- The FY10 capital plan, *Planning for the Future of UMass Boston*, highlighted the conceptual design approach selected for its then recently completed Master Plan. That approach, called “Improving Connections,” would guide the transformation of the campus’ physical environment by focusing on projects that underscored the Master Plan’s principles.
- The FY11 capital plan, *From Plan to Performance*, emphasized the capital projects that would be undertaken as a result of thorough and detailed study of the key elements of its programmatic goals.
- The FY12 capital plan, *Building Momentum*, signaled the continued forward motion of its pursuit of a campus being transformed to meet its strategic vision, with the commencement of construction of the Integrated Sciences Complex.

With the submission of this FY13 Capital Plan entitled *Laying the New Foundation*, UMass Boston prioritizes those capital initiatives necessary to realize its strategic goals. In particular, the enabling projects highlighted in this plan which will result in the development of new campus infrastructure will allow for the achievement of all capital initiatives and thus support the achievement of all of the strategic academic goals as well.

Funding by Program

The UMass Boston FY13-FY22 Capital Plan outlines \$1,271.1m in capital spending over the next 10 fiscal years in four major areas:

| Program Type | Amount (in Millions) | % of Total Funds Allocated |
|---|---------------------------------|---------------------------------------|
| Basic Infrastructure/Deferred Maintenance/Compliance Projects | \$72.2 | 5.7% |
| Master Plan-related Projects | \$1,148.2 | 90.3% |
| Substructure-related Projects | \$1.6 | 0.1% |
| Teaching/Learning/Research Projects | \$49.2 | 3.9% |
| Total Cost of Capital Plan | \$1,271.1 | |

Substructure Repair/Science Center and Plaza Demolition

The six-year, \$40m, Substructure and Related Repairs project has consumed some 7% of capital dollars and yet, now nearing completion, it will appropriate less than 1% in this capital plan going forward. The two-level Substructure was closed, except in limited areas where walkways and/or structurally reinforced overhead protection was installed to accommodate operations personnel and/or safe pedestrian access to and from surface parking lots. Steel vertical supports and lateral braces were installed to support the buildings' substructure on an interim basis for 7 to 10 years. Localized concrete repairs have been made where needed. Fire protection has been upgraded and acid neutralization systems in the deteriorated slab have been removed and rebuilt above ground. The obsolete campus electrical switchgear has been replaced by state of the art equipment housed in a newly constructed facility, the Switchgear Building. At the time this Capital Plan is being written, the cutover of UMass Boston's four high voltage lines to this new building is underway. That move allows construction crews to now repair the deteriorated Utility Plant roof and roof deck. The deteriorated exterior stairway from the Quinn roadway to the Plaza has been permanently removed.

With the campus foundation stabilized and our attention and funding re-directed forward, our future thoughts as they relate to the Plaza between the buildings and the Substructure levels located below these Plaza areas are of the demolition of these spaces and the Science Center, after the new Integrated Sciences Complex and General Academic Building No. 1 are occupied. What was once the domain of the utilities distribution system and automobiles became a striking scene of deteriorated, dark and vacant space. The space created by these demolitions will become a central quadrangle – a landscaped crossroad for an engaged community of students, faculty and staff enjoying a memorable place of learning and collaboration. About “destructionists” who engage in building demolitions, the writer Walter Benjamin has said,

Because there are ways everywhere, the destructionist always stands at a crossroads. No moment can know what the next will bring. What exists he reduces to rubble — not for the sake of the rubble, but for that of the way leading through it.

From Rubble: Unearthing the History of Demolition by Jeff Byles

For UMass Boston's “way forward,” a bit of chaos must be endured. As Chancellor Motley said in his 2010 Convocation Address, “Be prepared to get your boots muddy...and be prepared to help us plan another chapter of the University of Massachusetts Boston's future.”

Basic Infrastructure/Deferred Maintenance/Compliance Projects

Beyond UMass Boston's well documented Plaza and Substructure issues, there has been a targeted and sustained effort to identify its most critical deferred maintenance problems so that their correction remains a high priority, along with other capital priorities. Deferred maintenance is the accumulation of maintenance, renewal, and replacement projects on building systems and components postponed or unperformed when capital funding is unavailable or when the operating budget is squeezed by unexpected external forces (e.g., a sharp increase in energy costs that make oil prices soar) or operating issues such as unexpected excessive snowfall.

Although any building systems may be subject to maintenance deferrals, the deferral of certain buildings' maintenance results in more critical consequences. In 2005, UMass Boston contracted with the Gilbane Building Company to review critical facilities infrastructure, life-safety, and deferred maintenance issues. Their findings provided a list of projects to be undertaken, prioritized to account for 1) immediate life-safety needs, 2) business continuity relative to delivery of educational mission, and 3) preservation of physical assets. Not surprisingly, the Gilbane Report noted the increased costs for maintenance and construction to which our campus is subject, given the particular environmental conditions encountered by our location on a former landfill and at the ocean's edge.

The Gilbane Report was buttressed by other focused studies of specific building and infrastructure systems, such as the ones completed below:

- *Survey and Report of Campus Elevators;*
- *Roof Repair and Replacement Study;*
- *Study to Evaluate Existing Conditions and Use of Water Distribution Systems at UMass Boston;*
- *Medium Voltage Distribution Study;*
- *Healey Library Fire Sprinkler Study;*
- *Repair Study of Healey Library Landing and Quinn Plaza Stair;*
- *Code Strategy Report: UMass Boston McCormack Hall and Wheatley Hall; and*
- *Bayside Expo Facility Condition and Physical Conditions Report.*

UMass Boston's strategy for correction of its basic infrastructure, deferred maintenance, and life-safety issues is continuously modified to reflect whatever knowledge we have gained through study or experience so that the financing and correction of these issues is always directed towards safety first, and secondly towards preserving the highest and best use of each of its facilities. In some cases, this "triage" protocol has resulted in our providing only critical repairs to unoccupied properties, such as the Nantucket Field Station's Little Beach House and the Bayside Expo Center buildings.

UMass Boston has used these studies to analyze how to invest most cost-effectively in its physical space – whether to rehabilitate the old or build new. Over recent years, on average, the annual capital plan has documented a 6% expenditure on Basic Infrastructure, Deferred Maintenance, and Life Safety. While that number seems low, it should be considered along with the average expenditure of 4% on the Substructure and Related Repairs Projects, which are all large-scale deferred maintenance projects. More importantly, UMass Boston has corrected a critical array of maintenance and infrastructure issues contained in the 2005 list and the FY13-FY22 Capital Plan outlines a significant number of additional issues which will be addressed either under this category or as a result of new construction or demolition.

The costliest and most deteriorated conditions will be addressed by building new buildings and demolishing the old. For example, the Gilbane study reported as follows: "...the campus science facilities are not capable of supporting a state of the art science curriculum. All of the facilities system designs and technologies are circa 1965-1970 which, due to the substantial evolution of these disciplines, no longer conform to current industry, code, or higher education facility best practice standards." The decision to replace the Science Center with the new Integrated Sciences Complex and to demolish the Science Center after the ISC and General Academic Building No. 1 are constructed will free UMass Boston from the burden of millions of dollars of deferred maintenance in outmoded research and teaching facilities and, more importantly, UMass Boston's research aspirations will be allowed to flourish in modern research laboratories.

Among several Basic Infrastructure projects, UMass Boston will spend \$11m on modifications to its Utility Plant, which provides centralized utilities distribution to all of its main campus facilities.

Several crucial Life-safety Compliance projects are planned, including the installation of sprinklers in several buildings on campus, including the 11-story Healey Library Building.

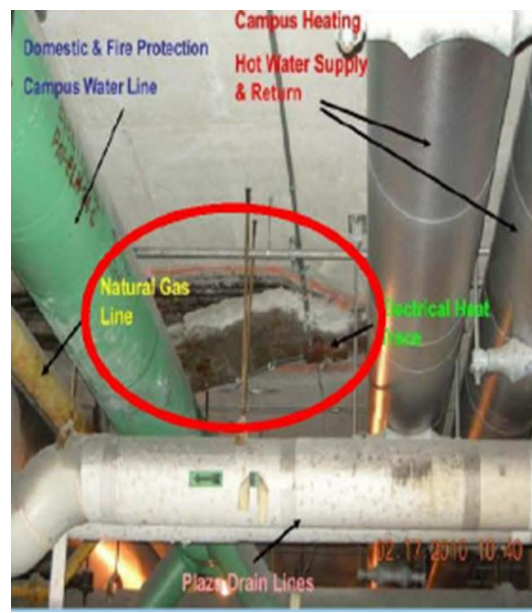
Two important areas for correction of Deferred Maintenance are UMass Boston’s elevators and roofs/facades. UMass Boston’s Elevator Modernization efforts will continue with the installation of new and upgraded elevators in four buildings: McCormack Hall, Wheatley Hall, Clark Athletic Center, and Quinn Administration Building. The Selective Roof Repairs and Replacement Project continues with work on the following buildings: 1) Replacement of McCormack Hall 3rd floor membrane roof; 2) Replacement of a portion of the Science Center 3rd floor roof; 3) Replacement of the Service and Supply Building membrane roof; 4) Repair of the Clark Gymnasium curtain wall and roof; and 5) Repairs to roofs on the Healey Building.

UMass Boston is committed and will continue to work in a sustained manner on correction of its deferred maintenance backlog over the period FY12-FY16 such that, through a combination of funded repair and replacement projects and significant demolition projects, UMass Boston will have achieved a 10% reduction in this backlog.

The authors of the seminal study, *A Foundation to Uphold: A Study of Facilities Conditions at U.S. Colleges and Universities*, found that strategic planning was key to successful deferred maintenance correction. They wrote:

“Colleges that undertook strategic facilities planning to prioritize needs, combined with an increase in facility funds, showed the greatest success in reducing accumulated deferred maintenance.”

UMass Boston has a clear plan in place to address both its deferred maintenance and its priorities for transforming the physical plant.





Master Plan-related Projects

At 90.3% of the proposed FY13-FY22 expenditures, Master Plan-related projects are the cornerstone of the Capital Plan, *Laying the New Foundation*.

| Capital Priorities, FY13-FY22 | Estimated Cost (\$M)* | Basis of Estimate ** |
|--|-----------------------|----------------------|
| 1 Integrated Sciences Complex (ISC) | 182.0 | 7 |
| 2 Utility Corridor Roadway Relocation (UCRR) *** | 154.0 | 5 |
| 3 General Academic Building No. 1 (GAB 1) | 113.0 | 4 |
| 4 McCormack and Wheatley Halls Backfill Renovations | 75.0 | 2 |
| 5 Science Center and Substructure Demolition / Quadrangle Development | 22.5 | 1 |
| 6 Residence Hall No. 1 (RH 1) | 100.0 | 1 |
| 7 Trigeneration Plant | 27.5 | 2 |
| 8 Parking Garage No. 1 (PG 1) | 45.0 | 1 |
| 9 General Academic Building No. 2 (GAB 2) | 100.0 | 1 |
| 10 General Academic Building No. 3 (GAB 3) | 150.0 | 1 |
| 11 Residence Hall No. 2 (RH 2) | 110.0 | 1 |
| 12 Parking Garage No. 2 (PG 2) | 42.0 | 1 |
| Total | 1,121.0 | |

* Includes spending that occurred prior to FY13

** Estimates are based upon information received at various project phases, the descriptions of which correspond to the numbers below:

1. Planning
2. Study
3. Programming
4. Schematic Design
5. Design Development (50%)
6. Contract Documents
7. Construction Bids

*** Includes UCRR Phases I and II and Central Utility Plant Upgrades Project

The first of several new academic buildings, indeed the first new academic building since the campus opened to students in 1974, the Integrated Sciences Complex, is now under construction. The foundation is in and the steel is erected. Installation of the curtain wall will begin in September.

Schematic design of the second new academic building on our campus, the General Academic Building No. 1, has been completed. This building will house chemistry teaching laboratories, a theater, a recital hall, art studios, and more than 25 new classrooms with instructional technology that will surpass any currently available on campus.

The “mother of all enabling projects,” the Utility and Roadway Relocation Project, has been underway since September 2010, and at the end of September 2012 the design team will complete 100% Design Development for this project. The new campus utility infrastructure, roadway, and surface improvements are critical to support the build-out of the 25-year Campus Master Plan.

The deterioration of the Substructure requires the relocation of the campus’ utilities to a new utility corridor, allowing for the demolition of the Substructure and the creation of a Central Quadrangle, a core element of the Campus Master Plan’s design. The utility corridor and roadway are being designed to provide capacity for both existing buildings and to serve buildings under construction or to be designed in the future, as identified in the Master Plan. This project in all its varied facets (e.g., utility corridor, roadway relocations, landscaping, utility plant modifications, new utility building connections, stormwater management) will cost some \$155m.

This project will ensure that the physically transformative elements that will be the underpinning of all that takes place on this site for the next century are built upon sound, robust, flexible, creatively designed, and carefully engineered infrastructure.

Today, the creation of infrastructure can no longer simply be considered as the accumulation of a large object in isolation from its surroundings. Landscape and infrastructure merge and movement corridors are (re)worked as new vessels of collective life...Once married with architecture, mobility, and landscape, infrastructure can more meaningfully integrate territories, reduce marginalization and segregation, and stimulate new forms of interaction.

*From The Landscape of Contemporary Infrastructure by Kelly Shannon
and Marcel Smets*

Teaching/Learning/Research Projects

Most of the Master Plan-related Projects included in this Capital Plan could instead be referred to as Teaching/Learning/Research Projects in that the biggest positive impact of the Master-Plan-related Projects will be on these areas; and that is as it should be. The Master Plan designation, however, has been applied for those projects resulting from the master planning process. The projects highlighted under this Teaching/Learning/Research designation will, however, have no less of an impact on the educational experience of our students.

Programming has begun on the Healey Building Classroom 2.0 Project, a project to create additional classroom space in the Healey Building in order to provide both necessary classroom swing space as renovations to McCormack Hall and Wheatley Hall approach and an opportunity for professors to provide instruction in a style of classroom not currently available at UMass Boston but that will be included in the General Academic Building No. 1. Because the GAB No. 1 will include both a technology-intensive “studio” classroom and case method classrooms, having an opportunity for instructional staff to work in these classroom environments now will aid the implementation of new pedagogies at UMass Boston as new academic buildings are added and existing classrooms are renovated.

Conclusion

UMass Boston’s Capital Plan FY13-FY22 underscores campus efforts at *Laying the New Foundation*, initiatives that will result in a solid and robust foundation with a beautiful and enhanced public realm.

Every problem is a challenge and many problems were met in the building of the Fair that were never before encountered. The engineers have given a hundred new and valid answers to a hundred major and perplexing questions. They have created things which many have said were fantastic, and others, impossible. And that is because nothing can defeat a combination of experience and courage.

From Official Guide Book, New York World's Fair, 1939



UMass Boston Facility Inventory Summary - August 2012

| Building Name | Address | Square Footage | Owner | Building Function | Replacement Value (CAMIS) (\$) | Amount of Building/System Deferred Maintenance |
|----------------------|----------------|-----------------------|--------------|--------------------------|---------------------------------------|---|
|----------------------|----------------|-----------------------|--------------|--------------------------|---------------------------------------|---|

Main Campus

| | | | | | | |
|--|-------------------------------------|---------|-------------------------------|--------------------------------|-------------|---|
| Calf Pasture Pumping Station (CPPS) | 435 Mt. Vernon Street Boston, MA | | Commonwealth of Massachusetts | Vacant/Unoccupied | | * |
| Campus Center | 100 Morrissey Boulevard, Boston, MA | 330,000 | Commonwealth of Massachusetts | Office/Event | 114,574,421 | * |
| Clark Athletic Center: Gymnasium, Pool, Rink | 100 Morrissey Boulevard, Boston, MA | 126,427 | Commonwealth of Massachusetts | Athletic Facilities | 36,103,769 | * |
| Gatehouse (CPPS) | 435 Mt. Vernon Street Boston, MA | | Commonwealth of Massachusetts | Vacant/Unoccupied | | * |
| Healey Building | 100 Morrissey Boulevard, Boston, MA | 337,446 | Commonwealth of Massachusetts | Library/Office/Classroom | 100,557,924 | * |
| McCormack Hall | 100 Morrissey Boulevard, Boston, MA | 266,060 | Commonwealth of Massachusetts | Office/Classroom | 90,242,258 | * |
| Quinn Administration Building | 100 Morrissey Boulevard, Boston, MA | 96,897 | Commonwealth of Massachusetts | Office | 29,406,484 | * |
| Salt Water Pump House | 100 Morrissey Boulevard, Boston, MA | 4,314 | Commonwealth of Massachusetts | Central Utilities Distribution | 676,446 | * |
| Science Center | 100 Morrissey Boulevard, Boston, MA | 297,952 | Commonwealth of Massachusetts | Laboratory/Classroom/Office | 95,334,996 | * |
| Service & Supply Building | 100 Morrissey Boulevard, Boston, MA | 74,295 | Commonwealth of Massachusetts | Office/Service | 22,376,039 | * |
| Switchgear Building | 100 Morrissey Boulevard, Boston, MA | 2,775 | Commonwealth of Massachusetts | Central Utilities Distribution | | * |
| Utility Plant | 100 Morrissey Boulevard, Boston, MA | 27,886 | Commonwealth of Massachusetts | Central Utilities Distribution | 6,157,733 | * |
| West Shaft Entrance Building (CPPS) | 435 Mt. Vernon Street Boston, MA | | Commonwealth of Massachusetts | Vacant/Unoccupied | | * |
| Wheatley Hall | 100 Morrissey Boulevard, Boston, MA | 268,511 | Commonwealth of Massachusetts | Office/Classroom | 85,914,829 | * |

Buildings Currently under Construction on Main Campus

| | | | | | | |
|-----------------------------|-------------------------------------|---------|-------------------------------|-----------------------------|--|---|
| Integrated Sciences Complex | 100 Morrissey Boulevard, Boston, MA | 231,110 | Commonwealth of Massachusetts | Laboratory/Classroom/Office | | * |
|-----------------------------|-------------------------------------|---------|-------------------------------|-----------------------------|--|---|

UMass Bayside Site on Columbia Point

| | | | | | | |
|---------------|-----------------------------------|---------|--|-------------------|--|---|
| UMass Bayside | 200 Mt. Vernon Street, Boston, MA | 275,000 | University of Massachusetts Building Authority | Vacant/Unoccupied | | * |
|---------------|-----------------------------------|---------|--|-------------------|--|---|

Nantucket Field Station

| | | | | | | |
|---|--------------------------------|-------|-------------------------------|---|-----------|---|
| Nantucket Field Station: Director's Residence/ Workshop | 180 Polpis Road, Nantucket, MA | 2,200 | Commonwealth of Massachusetts | Housing/Boat & Vehicle Maintenance Shop | | * |
| Nantucket Field Station: Dormitory/Main House | 180 Polpis Road, Nantucket, MA | 1,975 | Commonwealth of Massachusetts | Dormitory | 669,603 | * |
| Nantucket Field Station: Gouin Village | 20 Vesper Lane, Nantucket, MA | 3,060 | Commonwealth of Massachusetts | Housing | 1,037,459 | * |
| Nantucket Field Station: Laboratory | 180 Polpis Road, Nantucket, MA | 1,133 | Commonwealth of Massachusetts | Laboratory | 384,292 | * |
| Nantucket Field Station: Little Beach House | 180 Polpis Road, Nantucket, MA | 520 | Commonwealth of Massachusetts | Vacant/Unoccupied | 157,811 | * |

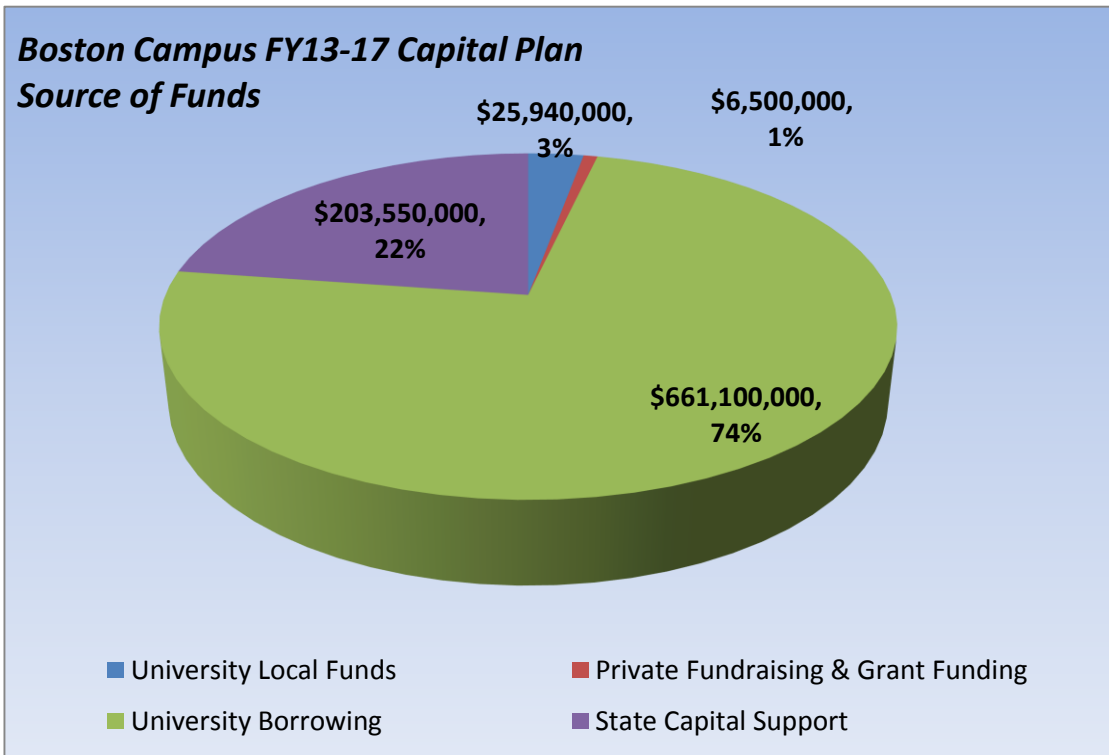


University of Massachusetts FY13 Capital Plan Update
Boston Campus Projects

| Campus Priority | Campus Project Names | Project Type | Program Type | Total Project Cost Est. August 2012 | Five Year Spending Anticipated FY13-17 Cash Flow |
|--|---|--------------|--------------|--|--|
| Basic Infrastructure (Life Safety/Deferred Maintenance) | | | | | |
| BI.01 | Replace and Construct new Structure for Primary Campus Electrical Switchgear | DM | BI | \$5,500,000 | \$5,500,000 |
| BI.02.01 | Wheatley Hall Roof Replacements and Buidling Envelope Repairs | DM | BI | \$3,600,000 | \$100,000 |
| BI.02.02 | Clark Athletic Center: Replace/Repair East Curtain Wall | DM | BI | \$2,000,000 | \$2,000,000 |
| BI.02.03 | Healey Building: Roof Replacement and Building Envelope Repairs | DM | BI | \$1,800,000 | \$1,800,000 |
| BI.02.04 | Service and Supply Building: Roof Replacement and Buiding Envelope Repairs | DM | BI | \$1,750,000 | \$1,750,000 |
| BI.02.05 | McCormack Hall: Roof Replacement and Building Envelope Repairs | DM | BI | \$3,500,000 | \$3,500,000 |
| BI.03 | Healey Building: Replace Plaza Level Waterproofing | DM | BI | \$4,000,000 | \$4,000,000 |
| BI.04 | Campus Center: Install Interior Glazing on 2nd & 3rd Floors of Interior Atrium | O | BI | \$600,000 | \$550,000 |
| BI.05 | Grounds: Sea Wall and Harborwalk Construction on North-Facing Shore | NC | BI | \$3,800,000 | \$3,725,000 |
| BI.06 | Nantucket Field Station: Repairs to Field Station Buildings and Septic System and Gouin Village Apartment Repairs | DM | BI | \$2,000,000 | \$1,500,000 |
| BI.07 | Clark Athletic Center Ice Rink: Replace Chiller Unit | DM | BI | \$1,000,000 | \$1,000,000 |
| BI.08 | Clark Athletic Center: Repair South-facing Façade on Ice Rink facility | DM | BI | \$1,000,000 | \$1,000,000 |
| BI.09 | Healey Building: Fire Protection Improvements (Install Fire Sprinklers, Replace Fire Alarm System and Fire Pumps) | CO | BI | \$8,200,000 | \$8,200,000 |
| BI.10 | Clark Athletic Center/McCormack Hall/Quinn Administration/Wheatley Hall: Elevator Renovations -- Code/Restoration | DM | BI | \$3,300,000 | \$3,200,000 |
| BI.11.01 | Saltwater Pump House: Mechanical System Upgrades | DM | BI | \$1,500,000 | \$1,500,000 |
| BI.11.02 | Saltwater Pump House: Savin Hill Cove Dredging | DM | BI | \$500,000 | \$500,000 |
| BI.12 | Campus-wide: Central IT Upgrades/Replacements | E | BI | \$5,000,000 | \$5,000,000 |
| BI.13 | Campus-wide: Telephone System Upgrades | E | BI | \$1,300,000 | \$1,300,000 |
| BI.14.01 | Quinn Administration Building: Install Fire Suppression System and Upgrade Fire Alarm System | CO | BI | \$1,200,000 | \$1,200,000 |
| BI.14.02 | Service and Supply Building: Install Fire Suppression System and Upgrade Fire Alarm System | CO | BI | \$2,300,000 | \$2,300,000 |
| BI.15 | Calf Pasture Pumping Station: Security and Button-up Envelope at ownership transition | DM | BI | \$500,000 | \$440,000 |
| BI.16 | Campus Wide: One Card System | IT | BI | \$2,000,000 | \$2,000,000 |
| BI.17 | Campus-wide: ADA Compliance | CO | BI | \$1,000,000 | \$1,000,000 |
| BI.18 | Fox Point Docks: Upgrades and ADA Accessabiity | CO | TL | \$1,500,000 | \$1,500,000 |
| BI.19 | Campus-wide: Replace Exterior Doors to Ensure Climate Control (including vestibules) and Code Compliance | DM | BI | \$3,200,000 | \$3,150,000 |
| BI.20 | Campus-wide: Off-site Data Center Backup | E | BI | \$600,000 | \$600,000 |
| BI.21 | Quinn Administration Building: Renovations to Improve Building Space Efficiency | RV | BI | \$12,500,000 | \$0 |
| BI.22 | Projects Less Than \$500,000 (Aggregate) | DM | BI | \$4,700,000 | \$4,350,000 |



| Master Plan Projects | | | | | |
|------------------------------------|--|----|----|------------------------|----------------------|
| MP.01.01 | Master Plan Phase I: Construct New Integrated Sciences Complex | NC | R | \$182,000,000 | \$161,000,000 |
| MP.01.02 | Master Plan Phase I: Utility Plant System Expansion and Upgrades to Accommodate ISC and GAB including new chiller and boiler | NC | BI | \$3,000,000 | \$3,000,000 |
| MP.01.03 | Life Sciences: Center for Personalized Cancer Therapy (To be located within Integrated Sciences Complex) (LSBB Earmark) | RV | R | \$10,000,000 | \$10,000,000 |
| MP.02.01 | Master Plan Phase I: Utility Corridor and Roadway Relocation Project | NC | BI | \$143,000,000 | \$140,900,000 |
| MP.02.02 | Master Plan Phase I: Utility Plant Upgrades related to pumps, controls, heat exchangers and Utility Corridor Reconfiguration | BR | BI | \$11,000,000 | \$11,000,000 |
| MP.02.03 | Master Plan Phase I: Construct new Trigereneration Facility to accommodate increased campus chilled water, hot water and electrical service needs | NC | BI | \$27,500,000 | \$27,500,000 |
| MP.03 | Master Plan Phase I: Construct New Academic Building 1 | NC | TL | \$113,000,000 | \$110,800,000 |
| MP.04 | Master Plan Phase I: Construct 1,000 Bed Residence Hall 1 | NC | SL | \$100,000,000 | \$100,000,000 |
| MP.05.01 | Master Plan Phase I: Renovations to Existing Campus Buildings | BR | TL | \$75,000,000 | \$75,000,000 |
| MP.05.02 | Master Plan Phase I: Purchase or Lease Additional Swing Space to accommodate growth and M/W Renovations | O | TL | \$2,500,000 | \$2,500,000 |
| MP.06.01 | Master Plan Phase I: Study Substructure and Science Center Demolition | O | BI | \$1,150,000 | \$1,150,000 |
| MP.06.02 | Master Plan Phase I: Construct new campus Greenhouse for research, teaching and community service | NC | SL | \$5,000,000 | \$5,000,000 |
| MP.06.03 | Master Plan Phase 1: Relocate College of Science and Mathematics Machine Shop due to the demolition of the Science Center | BR | R | \$1,000,000 | \$1,000,000 |
| MP.06.04 | Master Plan Phase I: Study Replacement of Catwalk/Enclosed Campus Walkway System and Connections to GAB 1 | BR | BI | \$1,000,000 | \$1,000,000 |
| MP.06.05 | Master Plan Phase I: Study new LL/UL Facades at Campus Center, Healey Building, McCormack Hall, Quinn Administration Building and Wheatley Hall and Access to Buildings from Grade | NC | BI | \$1,000,000 | \$1,000,000 |
| MP.06.06 | Master Plan Phase I: Substructure and Science Center Demolition | O | BI | \$15,000,000 | \$15,000,000 |
| MP.06.07 | Master Plan Phase I: Central Quad Development | NC | BI | \$7,500,000 | \$7,500,000 |
| MP.06.08 | Master Plan Phase I: Relocate Track/Athletic Field | NC | BI | \$2,800,000 | \$2,800,000 |
| MP.07 | Master Plan Phase I: Construct New Academic Building 2 | NC | TL | \$100,000,000 | \$74,500,000 |
| MP.08 | Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage West including Public Safety Space | NC | BI | \$45,000,000 | \$45,000,000 |
| MP.09 | Master Plan Phase I: Build Out Campus Center UL Parking Garage Space as Assignable Space | RV | BI | \$5,000,000 | \$5,000,000 |
| MP.10 | Master Plan Phase I: Secure or Demolish Bayside Expo Center building and initial property improvements | DM | TL | \$6,000,000 | \$6,000,000 |
| MP.11 | Master Plan Phase II: New Academic Building 3 | NC | TL | \$150,000,000 | \$0 |
| MP.12 | Master Plan Phase I: Construct 1,000 Bed Residence Hall 2 | NC | SL | \$110,000,000 | \$0 |
| MP.13 | Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage East (Planning escalated from FY09 to FY18) | NC | BI | \$42,000,000 | \$0 |
| MP.14 | Master Plan Phase I: Construct New Pool Facility (Planning) | NC | SL | \$10,000,000 | \$0 |
| MP.15 | Master Plan Phase I: New public art for Campus Green (Planning) | O | SL | \$1,000,000 | \$0 |
| MP.16 | Master Plan Phase I: Capital Lease for Use of new Baseball Facility to be constructed at BCHS | O | SL | TBD | \$0 |
| Substructure Projects | | | | | |
| SU.01 | Substructure: Interim Structural Stabilization, Access/Egress and Acid Neutralization Tanks | DM | BI | \$28,505,000 | \$500,000 |
| SU.02 | Substructure: Utility Plant Roof Replacement | DM | BI | \$4,570,000 | \$1,050,000 |
| Teaching/Learning/ Research | | | | | |
| TR.01 | McCormack Hall: Converstion of Vacant Cafeteria, Servery and Kitchen Space for College of Nursing and Health Sciences | RV | TL | \$2,275,000 | \$2,275,000 |
| TR.02 | Campus -wide: Renovations to Support Teaching and Research | RV | TL | \$850,000 | \$850,000 |
| TR.03 | Healey Building/Quinn Administration Building: Construct new classrooms on the 4th Floor of Healey Library and the UL of the Quinn Administration Building | RV | TL | \$1,000,000 | \$1,000,000 |
| TR.04 | Clark Athletic Center: Replacement of Gymnasium Floor and Bleacher Repairs | DM | SL | \$2,450,000 | \$1,850,000 |
| TR.05.01 | Healey Building: Renovations to Improve and Increase Student Learning Space Phase I | RV | TL | \$12,500,000 | \$12,500,000 |
| TR.05.02 | Healey Building: Renovations to Improve and Increase Student Learning Space Phase II | RV | TL | \$12,500,000 | \$0 |
| TR.06 | Instructional Equipment Upgrades and Replacements | E | TL | \$11,250,000 | \$3,750,000 |
| TR.07 | WUMB: Relocation WUMB Radio to new facility | NC | SL | \$4,000,000 | \$4,000,000 |
| Total Projects | | | | \$1,330,200,000 | \$897,090,000 |



**CAPITAL PLAN UPDATE
FY2012-2016
University of Massachusetts - Dartmouth**

“You must think of the campus as a clear backbone – or skeleton if you wish – which needs to be augmented by any number of activities not originally conceived of, including the idea of whether or not it is really a commuter campus predominantly, forever. It is not written in stone. It is only a point in time and space.” – Paul Rudolph 1966

Introduction

UMass Dartmouth is situated on a 710 acre parcel located equidistant between New Bedford and Fall River. The creation of the campus was driven by a master plan developed by Paul Rudolph, then Dean of the School of Architecture at Yale University starting in 1962.

“Rudolph was given the opportunity to execute one of the most comprehensive explorations of his signature architectural style on what was for him an unprecedented scale. Rudolph ultimately produced a master plan from which emerged a powerful organizational framework and an architectural language that served, with some variation, as the source for the realization of campus buildings over the next 20 years.”¹

Almost 50 years later and with two subsequent updated master plans:

- 1971 - The landscape and planning firm of Shurcliff, Merrill and Footit presented an ambitious series of academic, residential and athletic expansion which lead to the construction of the College of Visual and Performing Arts, the Library, the Campus Center and the Residents' Dining Hall;
- 2005 - Chan Krieger & Associates built on the previous work and presented a series of recommendations that remain priorities indicated on our FY2013-17 Capital Plan Update. These unrealized priority projects include #18 Campus Entrance Building, #32 Central Administrative Services Building, #34 Campus Center Addition (Student Union) and #35 Athletic Complex - Multi Purpose Field House;

UMass Dartmouth is now in a position to transform and provide capital renewal to main campus and strategically invest in satellites in order to align with and support its' Mission Statement:

“The University of Massachusetts Dartmouth distinguishes itself as a vibrant public university actively engaged in personalized teaching and innovative research, and acting as an intellectual catalyst for regional and global economic, social, and cultural development.”

Transformation While Preserving

The highest priority project is the continued renovation and expansion of the Claire T. Carney Library this project will renovate and preserve the original library structure and reprogram the interior to provide an improved student study experience. The perimeter of the building, which used to be majority administrative offices, has been returned to the students to take advantage of both natural day lighting and views of campus. The growth in the student population and the changes in the way libraries are used by the University community have driven the renovation to move

¹ Chan Krieger & Associates, [A Campus and Facilities Master Plan: University of Massachusetts, Dartmouth](#) (January 2005) 12.

forward from a traditional model to progressively function as a Learning Commons and Scholarly Commons, geared for more group study and computer processing of information.

The truly exterior transformative force de jure of this project is the 20,000 square foot expansion that will redefine yet reflect on the campus's signature architectural style. This will introduce a large glass curtain wall into a "brutalism expression" that provides a transparent view of the superstructure holding three large lecture halls. It also extends the interior feel of the space onto a large outdoor patio area situated directly into the central quadrangle. This single project demonstrates what can be accomplished in what many believe to be an inflexible architectural style adding a modern vernacular that will be explored across campus.



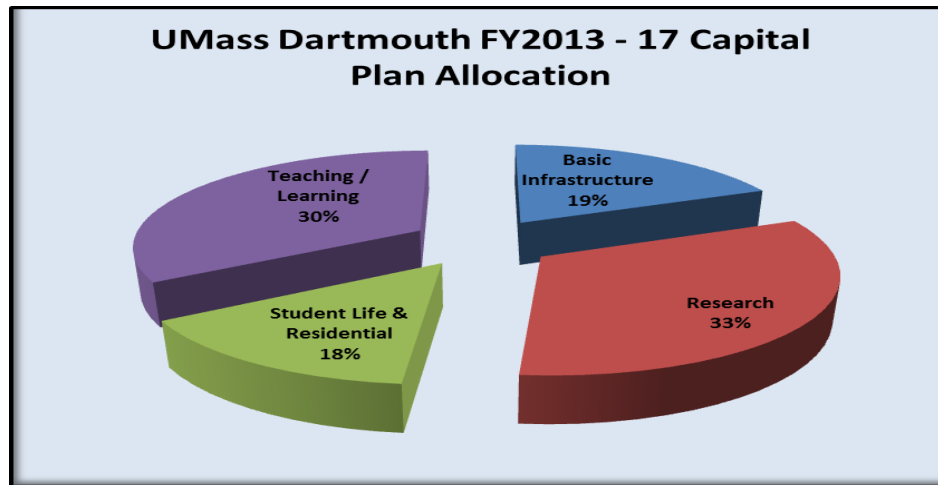
Figure 1 - Claire T. Carney Library & Curtain Wall Addition

Current Facility Master Plan Activities

The UMass Dartmouth Capital Plan Update for FY2013 - 2017 presents a capital spending plan of \$286M for the next five fiscal years and ultimately a \$629M 10-year plan. The program can be broken down into four investment types:

| Program Type | 5 Yr. Allocation (in millions) | 10 Yr. Allocation (in millions) | Total Project Costs (in millions) |
|----------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| Basic Infrastructure | \$53,848,000 | \$129,164,000 | \$150,763,000 |
| Research | \$93,528,498 | \$93,528,498 | \$96,865,800 |
| Student Life & Residential | \$42,387,564 | \$124,587,564 | \$177,432,000 |
| Teaching / Learning | \$96,440,000 | \$281,640,000 | \$343,140,000 |

These allocations represent a mixture of facilities in construction, deferred maintenance needs, projects in planning and conceptual strategic priorities. The projected percentages for the next five years reflect the strategic focuses of UMass Dartmouth that will invest in basic infrastructure, refocus on improving the teaching and learning areas, increase investment in a research enterprise that creates knowledge focused on the economy and culture of the region and Commonwealth but having global impact, and finally respond to the needs and requirements of today's student through increasing options for their life on campus and upgrade the residential living experience. The overall goal is to create a holistic capital plan that truly integrates into the statement **"World Class. Within Reach."**



The current master plan prepared by Chan Krieger & Associates and published in January of 2005 has been utilized to identify and prioritize many issues. As we approach the eighth anniversary of this plan and to utilize it as a "living document" UMass Dartmouth is scheduled to start working on an update in FY2015.

Renew and Sustain - Basic Infrastructure

As the main Dartmouth campus looks at 50 years, the impacts of Deferred Maintenance (DM) are very apparent. These include items that affect building performance, energy efficiency and how our buildings are utilized. Any discussion of capital planning must start with addressing the Basic Infrastructure needs and how we plan to address the approximately \$200M to \$300M projected DM backlog. The Capital Renewal strategy is evolving but will include the following elements to progress forward:

- Partner with Sightlines, a facilities asset advisory firm, on the next iteration of the Integrated Facilities Plan (IFP) with the goal to create a common integrated database of campus needs for the next ten years. The database is proposed to be comprehensive and include necessary repair / maintenance and modernization projects. It is through the completed IFP we will reevaluate and reprioritize the Basic Infrastructure items included on the Capital Plan;
- Utilizing the feedback from the current implementation of our Energy Performance Project (priority 2) that projects to address the most significant DM needs and reduce the current backlog by between \$7-8M. The building condition assessment performed by NORESKO concluded that:

*"building systems at UMD are in a severe state of disrepair, with many systems having minimal, if any, preventive maintenance since the original campus construction, most of which dates to the 1960s and 1970s. The central campus's unique architecture that makes it very difficult to access building mechanical systems has been a major contributor to the lack of equipment maintenance. As a result, **most HVAC mechanical systems now require significant repair or outright replacement.**"²*

² NORESKO, Investment Grade Audit Report: University of Massachusetts, Dartmouth (October 12, 2010) p4

- Strategically addressing immediate DM needs until a full Capital Renewal plan is prepared and prioritized. These projects include:

- \$1.8M in Roof Replacements at the Four Freshman Year Resident Halls that was completed in FY2012;
- \$1.9M in Bathroom Renovations at Maple Ridge Hall to be completed in FY2013 and planning for continued Bathroom Renovations to the three remaining freshman year resident halls;
- \$700K Roof Replacement at the Dion Science and Engineering Building completed at the beginning of FY2013 - which provided immediate benefits as researchers commented that the leaks had ceased in their labs;
- \$575K to Replace the Absorption Chiller at the Visual and Performing Arts Building (CVPA) in FY2013;
- \$450K to Replace a Deteriorated Steam Condensate Line in the proximity of the Campus Center in FY2013;
- \$100k to Perform an Envelope Study at the Science and Engineering Building in order to find a resolution to address water infiltration issues and prepare a project for the near term - this study will also provide us with information that could be applied to other original buildings on campus.

UMass Dartmouth is committed to working on addressing the DM backlog with a goal to meet or exceed the 10% reduction achievement by FY2016. The key to this will be to act on the IFP prepared by Sightlines to develop a prioritized strategy in order to commit funding to the areas of greatest need and best return on investment.

Sustainability and Energy Performance continue to be strategic focuses.



Figure 2 - 600KW Wind Turbine Installation

UMass Dartmouth is leading the way on the South Coast by pursuing a coordinated approach to becoming a clean energy campus. Two sustainable projects funded through the Dept of Energy Resources (DOER) and the Division of Capital Asset Management (DCAM) are the new 269 kilowatt solar photovoltaic system installed on the Tripp Athletic Center and the 600 kilowatt wind turbine acquired from Cape Cod Community College. The turbine will annually produce the same amount of energy as burning approximately 39 tons of coal. It will also eliminate the emission of 1,161 pounds of sulfur dioxide and 489 pounds of nitrous oxide while reducing the emission of 295 tons of carbon dioxide annually.

The \$40M Energy Performance Project being implemented by NORESKO and managed through DCAM continues on the FY2013 - 2017 Capital Plan as the second priority. The two phased infrastructure upgrade program is aimed at improving the performance and efficiency of mechanical, electrical and plumbing systems while reducing the University's operating expenses and carbon footprint. Phase I of the campus wide energy conservation initiatives include the retrofit of existing light fixtures with new energy efficient lamps and ballasts, HVAC systems upgrades and replacements, installation of new building management controls and major improvements to plumbing infrastructure. This phase is working toward completion in early FY13. The Phase II initiative involves a major upgrade of the existing central steam plant which will result in improved efficiency and increased capacity. A 1.67MW gas turbine combined heat and power system will replace the current steam boilers. The gas turbine will generate power for a majority of the campus and the resulting steam heat by-product will be recovered and converted to heat for the winter months and cooling for the summer. Implementation of this phase began in early FY13.

The university will continue to integrate energy reduction and renewables into its campus-wide sustainability efforts.

UMD's highest newly proposed priority project is a Security System Installation to the exterior of all main campus facilities and the interior of strategically identified areas. The purpose of this project is to meet the university's long and short range goals and to improve campus security therefore providing a safer environment for students, faculty, staff and university visitors.

Research - Discovery with Regional Focus, Global Impact

Much of the focus of UMass Dartmouth's research planning continues to focus on:

An innovation triangle

"UMass Dartmouth has forged an innovation triangle in southeastern Massachusetts, where research and creative ventures at the Dartmouth campus and in New Bedford and Fall River produce knowledge and ideas that are focused on the region but have global impact."³

At the main Dartmouth campus we are actively constructing, designing planning and programming Research Laboratory Improvements (Priority 14). This approximately \$12M program is focused on renovating various existing research and teaching laboratories out of yesterday and into a modern today. The majority of these spaces have not undergone major upgrades in more than 30 years. Utilizing a multidisciplinary approach to laboratory design it is hoped this will lead to increased synergy and become a catalyst for discovery.

Propping up the Fall River leg of the triangle are two projects:

- The \$27M Massachusetts Accelerator for Bio-manufacturing (MAB) (Priority 3) will be the first in the nation of its kind: a building that allows start-up companies to conduct research, test and scale-up their products or partner with other startups. The facility is currently under construction as the anchor to the South Coast Life Science and Technology Park. The one-story facility will provide a venue in which companies can test their bio-manufacturing processes at scale while paying a monthly rent that is lower than traditional lab space. This arrangement will allow these start-ups to generate new therapeutic materials for pre-clinical testing, as well as train their current and future workforce.
- The \$11.4M acquisition of **Advanced Technology and Manufacturing Center (ATMC)** whose goal is to provide advanced technology and manufacturing solutions, through industry and university partnerships, to meet current and future business needs.. The ATMC is currently located in a building under a long term lease with MDFA which requires yearly legislative allocations. The outright purchase would allow the campus greater flexibility in the use and financial support of the facility.

The last leg of the triangle is New Bedford where The School for Marine Science and Technology (SMAST) is located. Priority 4 on the capital plan identifies a project that will address a program that has quickly outgrown its facility in the last ten years. Planning has begun on renovating the current facility and constructing a new "SMAST 2" on an adjacent site. This project also looks to incorporate the state Division of Marine Fisheries in what would enhance synergies between the Commonwealth's marine regulatory authorities and our marine researchers while providing additional office and marine laboratory space for a dynamic and growing marine research organization.

³ <http://www.umassd.edu/about/communityimpact/>

Student Life and Residential

In order to increase the quality of student life, as campus continues to iterate from what was a commuter to residential model, several areas are being explored:

The Tripp Athletic Center is being renovated and expanded. This is a two phase project that includes an interior renovation of 15,000 square feet to locker, shower, rest rooms and sports medicine spaces. The second phase is a Fitness Center Addition that doubles its size. The Fitness Center has proven to be extremely popular with students and is heavily used by all members of the UMD community. The Dartmouth Campus also plans continued investment into residence halls with the completion of roof replacement on the four oldest freshman halls and a bathroom modernization program.

Capital plan priorities include items that were recommended in the January 2005 master plan that have yet to progress forward but our important:

- **Campus Entrance Building** - The current location of Admissions is somewhat difficult to find and does not have significant reserved parking for visitors. As Chancellor Meehan of UMass Lowell recently stated in *The Boston Globe Magazine* concerning a similar issue "People couldn't find the admissions office," he says. "If you can't find the admissions office, you're not going to come here."⁴
- **Campus Center Addition (Student Union)** - The campus master plan recommends the construction of additions to the Campus Center Building to accommodate the growing needs of our larger student population. Many work units serving students are scattered in classroom buildings or the Foster Administration Building. Some additional space recommended in the master plan would add to the building on the east side to accommodate student organizations that cannot currently be assigned dedicated space and to centralize class registration, student counseling, and other student-oriented functions in one building. Other additional space recommended in the master plan would add to the building on the west side to accommodate additional dining room space.
- **Multi Purpose Field House** - The largest indoor space on campus for major events like commencement or student concerts is the gym which is designed for a maximum occupancy of 1600 people. Lack of indoor areas for team practice space is also a problem during winters and poor weather conditions.

One item that is proposed for approval in the Centennial Way Retail Corridor, to construct a mixed-used project on campus that would provide a host of retail outlets for students, faculty and administration personnel. This may be a good opportunity for a public-private partnership. The Centennial Way Retail Corridor would begin to address the lack of opportunities that students, faculty and administrative personnel have for retail shopping. Currently with limited exceptions this exists off campus causing everyone to leave in order to make routine purchases. This is especially apparent off hours and weekends. This concept would incorporate smart growth, transportation and parking. This development would start to go a long way to put the "town" into the phrase "college town".

⁴ Jon Marcus, "Inside Marty Meehan's campaign to remake UMass Lowell," [*The Boston Globe Magazine*](#) (19 August 2012).

Teaching and Learning

UMD continues to look at innovating and upgrading the learning spaces throughout by investing on priority 5 Classroom, Teaching Laboratory and Learning Space Improvements. This program will be reinvigorated in the coming year by the formation of a task force that will review all learning spaces and provide recommendations on technology and furnishings.

A "New Academic Building" has been identified for state investment to begin in FY2014. The increasing demand on classroom space as well as the growth of academic programs continues to strain the existing campus space inventory. The University is experiencing a continuous rise in its need for space and has been leasing square footage to compensate for the lack of space on campus. This project will add necessary square footage to the main campus.

The Charlton College of Business expansion will address deficiencies with the recently completed facility which houses only office spaces and some meeting space. To complete the project, we will need to integrate academic space -- in particular case study classrooms, a trading floor classroom, and auditoria. This will be accomplished by building a 22,000 square foot addition to the current Charlton College of Business.

Two new projects have been submitted this year for review:

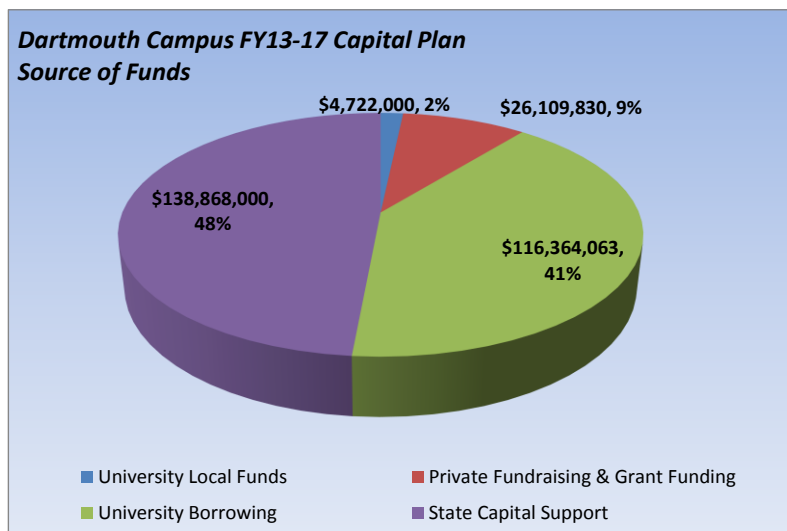
A Conference / Alumni Center would be developed and constructed as a state of the art conference and event space and to provide an anchor for alumni activities. This vibrant center will bring together faculty, students, the public and private sectors together for diverse activities and functions. Exploration should be considered if this location could sustain visitor lodging. This would include designing an area specifically for alumni - to provide arrival, networking and dining space before exploring the campus, attending an event or lecture, or going to an athletic event.

A new Health Sciences facility would be a center of excellence and innovation in the education and research for all related health sciences activity at UMass Dartmouth. The facility would include lecture halls, amphitheater, case rooms and seminar rooms, all with technology for interactive learning. This site would provide an interdisciplinary practice site where students from the health science related majors in the College of Arts and Sciences and the College of Nursing will learn in a synergetic and collaborative way. State of the art multi-discipline instructional, computational and clinical nursing simulation laboratories that will allow students to combine theoretical and practical knowledge and apply themselves in a dynamic learning environment.



University of Massachusetts FY13 Capital Plan Update
Dartmouth Campus Projects

| Campus Priority | Campus Project Names | Project Type | Program Type | Total Project Cost Est. August 2012 | Five Year Spending |
|-----------------------|---|--------------|--------------|--|----------------------------------|
| | | | | | Anticipated FY13-17 Cash Flow |
| 1 | Claire T. Carney Library - Expansion & Renovation | RV | TL | \$46,000,000 | \$14,000,000 |
| 2 | Energy / Water Savings Project | DM | BI | \$40,000,000 | \$28,000,000 |
| 3 | Massachusetts Accelerator for Biomanufacturing (MAB) (Fall River) | O | R | \$25,600,000 | \$23,846,624 |
| 4 | SMAST / DMF Expansion | O | R | \$48,000,000 | \$47,359,830 |
| 5 | Classroom, Teaching Laboratory, and Learning Space Improvements | RV | TL | \$11,440,000 | \$10,440,000 |
| 6 | ATMC Acquisition | O | R | \$11,400,000 | \$11,400,000 |
| 7 | Security Installation Project | O | BI | \$7,000,000 | \$7,000,000 |
| 8 | Feasibility/Planning New Academic Bldg | O | TL | \$500,000 | \$500,000 |
| 9 | New Academic Building | O | TL | \$75,000,000 | \$46,500,000 |
| 10 | Repair Four Oldest Residence Halls | DM | SL | \$75,000,000 | \$22,750,000 |
| 11 | Fitness Center Expansion | O | SL | \$5,100,000 | \$5,100,000 |
| 12 | Athletic Field Replacement & Track Renovation | O | SL | \$1,400,000 | \$1,400,000 |
| 13 | Tripp Athletic Center - Locker & Traning Room Renovations | RV | SL | \$1,900,000 | \$1,305,564 |
| 14 | Research Laboratory Improvements | RV | R | \$11,865,800 | \$10,781,875 |
| 15 | Update Campus Master Plan | O | BI | \$1,500,000 | \$1,500,000 |
| 16 | Charlton College of Business, Phase II | O | TL | \$15,000,000 | \$15,000,000 |
| 17 | Replace Failed HVAC Systems | DM | BI | \$3,500,000 | \$3,500,000 |
| 18 | Campus Entrance Building | O | SL | \$45,000,000 | \$0 |
| 19 | Conference / Alumni Center | O | TL | \$75,000,000 | \$0 |
| 20 | ADA Renovations Immediate Needs | O | BI | \$2,184,000 | \$750,000 |
| 21 | Health Sciences Building | O | TL | \$60,000,000 | \$0 |
| 22 | Basic Infrastructure Repairs | DM | BI | \$61,702,000 | \$2,000,000 |
| 23 | LARTS Air Conditioning Installation | RV | BI | \$3,016,000 | \$3,016,000 |
| 24 | Landscape/Lighting Improvements | DM | SL | \$1,832,000 | \$832,000 |
| 25 | Ring Road Replacement Study | DM | BI | \$500,000 | \$500,000 |
| 26 | Roadway Repairs | DM | BI | \$5,720,000 | \$0 |
| 27 | Power Plant Upgrades / MEP | DM | BI | \$4,371,000 | \$0 |
| 28 | PCB Transformer Replacements | DM | BI | \$1,023,000 | \$0 |
| 29 | Elevator Upgrades | DM | BI | \$1,352,000 | \$1,352,000 |
| 30 | Network & Telecom Infrastrucutre | E | BI | \$2,565,000 | \$2,000,000 |
| 31 | Central Administrative Services Building | O | BI | \$12,690,000 | \$4,230,000 |
| 32 | HVAC, Infrastructure and Envelope Repairs | DM | BI | \$3,640,000 | \$0 |
| 33 | Campus Center Addition (Student Union) | O | SL | \$16,400,000 | \$3,000,000 |
| 34 | Multi Purpose Field House | O | SL | \$20,800,000 | \$5,000,000 |
| 35 | New Bedford Incubator | O | TL | \$5,000,000 | \$5,000,000 |
| 36 | Taunton Life Sciences Center | O | TL | \$5,000,000 | \$5,000,000 |
| 37 | Centennial Way Retail Corridor | O | SL | \$10,000,000 | \$3,000,000 |
| 38 | Tech Venture Center | O | TL | \$10,200,000 | \$0 |
| Total Projects | | | | \$728,200,800 | \$286,063,893 |



**CAPITAL PLAN UPDATE
FY2013-2017
UNIVERSITY OF MASSACHUSETTS - LOWELL**

Strategic Capital Program

This document provides an update to the most recent Capital Plan for UMass Lowell for approval by the Board of Trustees for FY2013-2017. It reflects the priorities outlined in the UMass Lowell 2020 Strategic Plan. UMass Lowell's success in executing its Capital Plan will determine how successful it will be in meeting the ambitious goal of achieving national and international recognition as a world-class institution over the next decade.

Many of our anticipated capital expenditures impact on a number and variety of our academic, research, student life, athletic, recreational and outreach programs and partnerships. If we are to achieve our goals and aspirations, we must concurrently reduce our backlog of critical maintenance and our energy consumption while we create additional modern academic and research spaces, increase residential capacity, renew our existing buildings, develop new recreational opportunities, and add to our capacity to host a broad range of meetings and events – academic, entertainment and civic.

The Lowell campus consists of 3 major locations: North, South and East. The North and South campuses are primarily academic buildings with some residence halls and tightly constrained playing fields; the East campus is the location of the majority of our residence hall, the primary dining facility and a very popular Recreation Center. East also houses the Wannalancit facility, Lelacheur Baseball Park and is a short walk to the Tsongas Center. Each of the campuses are densely developed and bounded by fully developed residential and business properties. University Crossings, which will include the majority of student focused services is centrally located among all three campuses and is currently under construction.

The campus continues to partner with the University of Massachusetts Building Authority and DCAM to plan, finance and implement our ambitious capital program. The partnership with DCAM has resulted in a series of “rolling” capital plans for North and South campuses. These plans recognize our significant enrollment and research growth trends as well as projected future growth in academic programs, sponsored activity and enrollments. Enrollments grew nearly 38% between 2007 and 2011 and are projected to grow more than 16% more by 2015 to reach our goal of 18,000 students. Sponsored research funding has increased 66% and is targeted to grow another 19% by 2015. The master plans need to address the pressures of current and future growth including demand for new academic programs and the continued need to address the backlog of deferred maintenance.

Master Planning:

Science & Engineering Master Plan

In cooperation with DCAM, the master plan for North Campus Science & Engineering facilities has been completed. The recommendations focus on four initiatives, which are included in our capital plan. The projects include major renewal of Engineering, Olsen, Olney buildings, and similar smaller renewals in the North Campus Quad. The recent major fire in the Perry Engineering building has heightened the need for prompt rehabilitation of that key facility. The positive space and programmatic impacts of the pending new School of Business building is coordinated as part of the North campus planning process. Additional renewals for Pinanski, Ball, and replacement of Ames buildings are needed but not currently anticipated for funding in the near term.

University Crossing

The long planned purchase of the St. Joseph's property is behind us and the site has been redesigned as University Crossing. The Campus bookstore and some dining will be located here, and additional program elements including student activities & services, residential life as well as 'front door' activities like admissions, registrar, and financial aid. The transformation of the facility includes a complete interior renovation of the newer buildings at the rear of the site, the demolition of the older buildings at the front of the site and the construction of a new four-story campus center overlooking the river. The demolition phase is in progress and will be completed by the fall. Construction of the new building will be completed in 2014. The total cost of the renovations and new construction is currently estimated at \$91.5M. This project will benefit both North and South campuses by consolidating student services, student organizations and back-office operations from the main academic campuses thus allowing for the creation of additional classroom and departmental space.

South Campus Master Plan & Space Revisions

The approaching completion of much needed projects underway provides both the opportunity and the necessity of replanning space on our south campus in a thoughtful way. The cornerstone of these is the South Academic Building (now named the Health and Social Sciences building) which will be opening in the early spring of 2013.

These projects will result in some substantially vacant buildings ready for rehabilitation and reassignment each fall from 2013-2015. These newly available spaces provide the means to address pressing programmatic space needs for the School of Health and Environment and the School of Humanities, Fine Arts & Social Sciences.

The South Master plan, which is nearly complete, prepares a space renewal and reassignment plan, with accompanying individual capital projects for implementation as the buildings empty out. These include McGauvran, Mahoney, South Dining, Dugan, and parts of O'Leary and Weed. The plan academically organizes the campus and addresses both additional programmatic space needs and critical maintenance priorities. Expanding and renovating Coburn Hall and a new academic building are part of this plan as well. This planning effort is a follow-on to the previous DCAM-funded overall plan, and recently completed Science & Engineering plan for North Campus. Implementation of this plan will allow the campus to maximize and extend the value of investments in previous projects, and address the needs of these growing schools. Both schools actively support the university's growing research and economic development agenda, through both direct research and through their vital role in the overall curriculum.

Two significant projects – the North and South Campus Parking Garages – are underway to address the pressures for parking created by our growth. UMBA is overseeing these projects that have very tight timeline requirements.

Deferred Maintenance Status Report:

During 2010 and 2011, the campus completed a comprehensive facility condition assessment. The assessment reviewed each of our buildings and provided overall project costs for systems and prioritized needs for all facilities. The ISES report indicates that the current campus deferred maintenance (DM) requirement is for approximately \$450 million. A recent review by Sightlines, LLC. has estimated the total backlog at closer to \$600 million when taking into consideration both the hard and soft costs of renovation and construction projects.

The Lowell campus, perhaps due to a history of lower than usual long-term reinvestment and the relative age of our facilities, is in worse physical condition than peer campuses.

The campus has incorporated these needs into the capital plan, and is addressing them through a variety of means and funding sources. Progress on the capital plan as currently proposed and planned can result in DM reductions in excess of the 10% target set by the President's Office. This is in part due to capital projects already planned, demolition, energy conservation projects and planned comprehensive renewals which incorporate the DM items.

Priority #9, On-going Academic Modernization including Relocations (Phase 1: FY13-22) targets \$30M over 10 years to address immediate needs of academic areas including renewal associated with the reallocation of space due to the new facilities coming on-line and planned for North and South campuses.

Priority #15 is a consolidation of two lines from last year, Capital renewal/Deferred maintenance/Compliance (Phase 1: FY13-22). This program targets \$80M over the 10 year plan to various projects designed to cut into the backlog identified in the facility conditions assessment.

Priority #21 targets \$30M toward a Residential Hall Comprehensive Renewal Program (Phase 1: FY13-22). These funds will complement the renewal of Leitch & Bourgeois (#13) project and the planned demolition of Eames and Concordia halls. Combined these projects will reduce the deferred maintenance backlog in the residential housing area.

Energy Efficiency Program:

As part of the university's overall **energy improvement program**, capital investments will be needed to increase and ensure the realization of planned for savings. The campus borrowed \$15 million to begin these projects. These funds are being used to implement the energy infrastructure improvements that cannot be funded through the various grants, rebates and other energy programs now being implemented and sought. In most cases they concurrently also reduce our backlog of DM.

Improvements include an \$8 million renovation to the North campus power plant which includes replacing the fuel oil boilers with efficient natural gas boilers. The conversion and renovation project is now under construction. The energy conservation plan also includes system upgrades at stand-alone buildings, controls and energy management systems, improvements to the energy performance of distribution systems (e.g. steam and chilled water lines), and lighting and equipment modernization. These projects are being prioritized to those that have the best paybacks and impact deferred maintenance.

Over the next ten years the campus believes that an additional \$15 million in energy system improvements will be needed in addition to the HVAC, electrical and other system upgrades that will be part of the larger building renovation and renewal projects identified in the ISES report and the master planning reviews. The campus is participating in DCAM's Accelerated Energy Program (AEP) which provides an innovative funding model to further our energy efficiency efforts.

Financial Planning:

This capital plan depends on funding from the state, private donors, granting agencies and debt supported by user fees, student charges and campus operating funds. The overall five-year plan is aggressive due to the investment needs and program emerging from the DCAM Science & Engineering and South Campus master plans and the deferred maintenance needs identified by the ISES and Sightlines reports.

State Funds

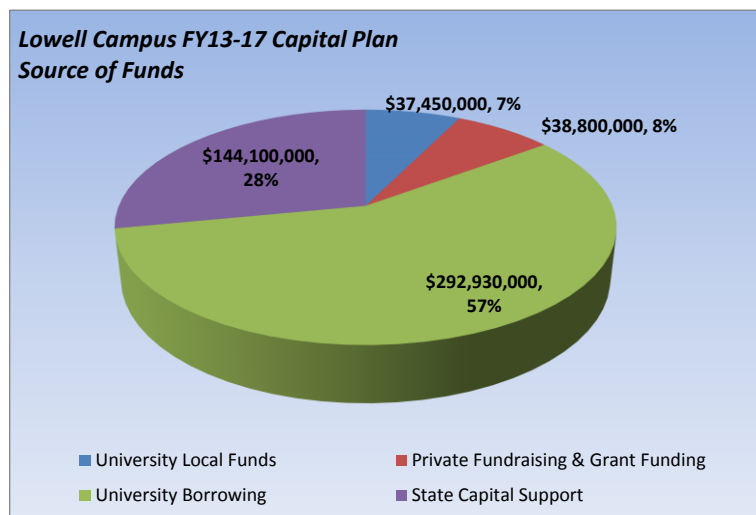
The state is a critical partner in the success of our capital plan and by extension the realization of our strategic goal to achieve national and international recognition as a world-class institution over the next decade.

The commitment of state funds to support the ETIC facility, the Health & Social Sciences Building (HSSB), master plans and emergency deferred maintenance repairs are all outcomes of our partnership with DCAM and the Administration in implementing the Higher Education Bond Bill of 2008, the Economic Stimulus Bill of 2006, and the Life Science initiative of the Commonwealth. In addition to the funded ETIC and HSSB facilities, the University is targeting state support for the following projects over the next ten years: new Pulichino/Tong School of Business building (\$25M); the Science & Engineering renewal and renovation program for Engineering (Perry Hall) (\$25M), Olsen (\$45M), North Campus Quad (\$31.5M) and Olney Hall (\$55M); Coburn Hall renewal and an Addition (\$19M and \$20M); South campus master plan improvements (\$5M) and a consistent level of support for deferred maintenance and compliance projects. A new project that is emerging from the South Campus master plan is the need for a new Academic Building to support the health sciences and its laboratory requirements currently projected at \$80M. We anticipate that as the master plan is finalized additional program and infrastructure improvements will be added to future Capital Plan updates.

Campus Debt

The campus has identified nearly \$320M of projects that can be funded with debt. Currently the campus has approximately \$190M in funds already borrowed through UMBA and targeted toward projects on the capital plan (e.g. ETIC, Wannalancit, Aiken St. Residence Hall). This leaves approximately \$160M of future borrowing over the next five years required to keep the capital plan moving forward.

The campus currently has a relatively low debt to operations ratio of 5.0% projected for FY12. If we were to borrow funds sufficient to support priority projects and additional funding for modernization and renewal in spring 2013 our debt ratio projections would stay close to 6%; below the 8% policy threshold. However, such a program would double our annual operating budget commitment to debt from \$11.5M in FY11 to \$24.9M in FY17. This is a significant reallocation of campus resources and will require continued progress on our strategic growth plan as well as additional support from the state and support from the Board of Trustees for a comprehensive financing strategy.





University of Massachusetts FY13 Capital Plan Update
Lowell Campus Projects

| Campus Priority | Campus Project Names | Project Type | Program Type | Total Project Cost Est. August 2012 | Five Year Spending Anticipated FY13-17 Cash Flow |
|-----------------------|--|--------------|--------------|--|--|
| 1 | ETIC Bldg. (incl. 3rd & 4th floors) | NC | R | \$81,500,000 | \$25,750,000 |
| 2 | Health & Social Sciences Bldg (HSSB) | NC | TL | \$41,000,000 | \$21,000,000 |
| 3 | University Suites (Aiken St.)Residence Hall | NC | SL | \$56,000,000 | \$56,000,000 |
| 4 | University Crossing - Student Life, Student Services & Admin Serv. | NC | SL | \$91,500,000 | \$91,500,000 |
| 5 | Fox Hall Dining Renovations | RV | SL | \$10,500,000 | \$6,000,000 |
| 6 | North Campus Garage | NC | BI | \$20,000,000 | \$10,000,000 |
| 7 | South Campus Garage | NC | BI | \$20,000,000 | \$20,000,000 |
| 8 | Pulichino/Tong School of Business Building | NC | TL | \$35,000,000 | \$35,000,000 |
| 9 | On-Going Academic Modernization incl. Relocations (Phase 1: FY13-22) | DM | TL | \$30,000,000 | \$15,000,000 |
| 10 | Energy & Power Plant Improvements (incl. Performance Contract) | DM | BI | \$30,000,000 | \$24,000,000 |
| 11 | Science & Engineering Master Plan-Perry Hall (Engineering) Renewal | RV | R | \$25,000,000 | \$25,000,000 |
| 12 | Science & Engineering Master Plan-Olsen Renovations | RV | TL | \$45,000,000 | \$26,100,000 |
| 13 | Leitch & Bourgeois Residence Hall Renovations | RV | SL | \$25,000,000 | \$25,000,000 |
| 14 | South Campus Master Plan & Initial Space Revisions | RV | TL | \$20,000,000 | \$20,000,000 |
| 15 | Capital Renewal/Deferred Maintenance/Compliance (Phase 1: FY13-22) | DM | TL | \$80,000,000 | \$40,000,000 |
| 16 | Property Acquisitions | RV | BI | \$10,000,000 | \$10,000,000 |
| 17 | Technology Infrastructure | E | BI | \$15,000,000 | \$7,500,000 |
| 18 | Alumni Hall Renovations | RV | BI | \$5,000,000 | \$5,000,000 |
| 19 | Science & Engineering Master Plan-North Campus Quad Renewal | RV | R | \$31,500,000 | \$8,230,000 |
| 20 | Transportation & Parking Improvements | RV | BI | \$4,000,000 | \$4,000,000 |
| 21 | Residential Hall Comprehensive Renewal Program (Phase 1: FY13-22) | RV | SL | \$30,000,000 | \$15,000,000 |
| 22 | Wannalancit | RV | BI | \$7,100,000 | \$5,700,000 |
| 23 | Civic & Athletic Facilities | RV | SL | \$3,300,000 | \$2,500,000 |
| 24 | Coburn Hall Renewal | RV | TL | \$19,000,000 | \$9,000,000 |
| 25 | Coburn Hall Addition (South Campus Master Plan) | RV | TL | \$20,000,000 | \$4,000,000 |
| 26 | Science & Engineering Master Plan-Olney Renovations | RV | R | \$55,000,000 | \$2,000,000 |
| 27 | New South Campus Academic Building (South Campus Master Plan) | NC | TL | \$80,000,000 | \$0 |
| Total Projects | | | | \$890,400,000 | \$513,280,000 |

**Capital Plan Update
FY2013 to 2017
University of Massachusetts Medical School**

The University of Massachusetts Medical School's 2013 Capital Plan update covers the completion and commissioning of the Albert Sherman Center, the new parking garage and the addition to the co-generation power plant. With total project costs of \$442 million, these investments comprise most of the planned capital expenditures over the next five years. Funding has been secured for these investments, which will enable the UMass Medical School (UMMS) to address its ongoing need for additional biomedical and translational research space, educational space to support increased enrollment and anticipated technology improvements in medical education. The balance of the planned projects address deferred maintenance and research space refurbishment.

The Worcester campus encompasses more than three million square feet of health sciences education, biomedical research and health care program space. The original facilities date to the mid-1970s, and most of the initial buildings are still occupied in their originally constructed condition. Over the past ten years, the campus has added more than one million square feet in newly-constructed space. In 2001, the 380,000 square foot Lazare Research Building opened, providing space for more than 144 principal investigators. The Medical School's clinical partner, UMass Memorial Health Care, added the 270,000 square foot Lakeside Wing shortly thereafter, which provided space for an expanded emergency department, trauma services, operating rooms and intensive care units. In 2010, the opening of the 250,000 square foot Ambulatory Care Center provided new space for the Centers of Excellence in Diabetes, Cardiovascular, Orthopedics and Cancer. These projects were the result of increases in research funding and investments by both UMass Memorial and UMMS.

The Worcester campus 2013 Capital Plan positions the Medical School to accommodate anticipated growth while continuing to plan and execute deferred maintenance and renewal projects. The principal goal is to assure the ongoing development and sustainability necessary to attract and retain top students, faculty and staff.

In addition to supporting the Commonwealth's Life Sciences Initiative, the Worcester campus executes to a strategic plan, developed in partnership with UMass Memorial Health Care: the **Academic Health Sciences Center Strategic Plan**. The plan describes an ambitious vision to improve the health and well-being of the people of the Commonwealth and the world. This vision supports the prioritization and execution of the capital plan, including the completion of the Albert Sherman Center.

The **Albert Sherman Center** will be a state-of-the-art biomedical research and academic center. This significant project reflects the momentum generated by basic and translational sciences research on the Worcester campus over the past decade and the Medical School's role as the anchor of the region's life sciences industry. By constructing this 515,000 square foot building, the Medical School will be able to continue the substantial growth of its research enterprise, which has experienced a 134 percent increase in total research awards from fiscal year 1998 to fiscal year 2009 and now receives more than \$250 million in annual research funding. Moreover, through the development of the Advanced Therapeutics Cluster (ATC), a key component of the Sherman Center, the Medical School will have the resources and space to translate the pioneering basic science discoveries of its faculty, including Nobel Laureate Craig Mello, into innovative and effective human therapies.

Although the development of the ATC, including the RNA Therapeutics Institute, programs in stem cell biology and regenerative medicine and a Gene Therapy Center, serves as the catalyst for the Albert Sherman Center, additional critical needs are being addressed through this expansion. Modern educational spaces to accommodate curriculum changes; student life spaces; auditorium and conference spaces; as well as parking, power plant and utility improvements are included in the scope of the Sherman Center.

Based on the \$90 million appropriation from the Commonwealth to accelerate this project, the Worcester campus developed a long-range financial plan to ensure completion of the Sherman Center and guarantee support for its operating costs and other mission-based activities. The estimated \$400 million total shared investment will enhance the ability of the Commonwealth's public medical school to fuel Worcester County's life sciences industry into an era of growth and accomplishment by contributing more than \$1 billion in economic impact across the state.

The Worcester campus 2013 capital plan is validated by three key studies: the Campus Master Plan, developed by Tsoi Kobus in 2005; a VFA Facility Condition Assessment; and the van Zelm Engineering Power Plant Master Plan, both completed in 2006.

The **Campus Master Plan** was completed by Tsoi Kobus under a DCAM contract in 2005. The plan provides a phased construction process to meet the needs of the school, hospital and Commonwealth Medicine as these organizations grow. The plan addresses infrastructure demands, enhances the collaborative community and over time, transforms the site to a cross-disciplinary full-service academic campus, while assuring sustainable design principles, accessibility and off-campus synergies. In addition, the plan foresees adaptation to changes in medical education and the medical school's new curriculum, emphasizes translational and clinical research, and provides the ability to react to emerging technologies. Land acquisition has been added to this year's Capital Plan to align with the Campus Master Plan.

VFA completed a **Facility Condition Assessment** in May 2006 (currently being updated) that identified more than \$70 million in required facility improvements for the Medical School. In addition, the list of requirements for the University Campus of UMass Memorial Medical Center totaled \$42 million. The condition assessment team inspected equipment, surveyed the facility and identified deferred maintenance requirements. Each requirement was documented with detailed cost estimates, photos and narratives, and then ranked. The plan identified more than \$19 million in critical or potentially critical requirements, most of which have already been addressed. The largest and most urgent deferred maintenance project is the replacement of thirty large air handling units throughout the medical school. Replacing these units will improve reliability and energy efficiency and provide enhanced environmental control of research laboratories, teaching spaces and offices.

UMMS completed a **Power Plant Master Plan** in 2006. The Power Plant is an integral component of the campus and provides all steam, chilled water, normal power and emergency power to the school and the 400-bed acute care hospital and trauma center. Van Zelm, Heywood and Shadford, Inc. performed the study. The recommendations addressed near-term reliability and plant redundancy issues, as well as longer-range capacity requirements consistent with the Campus Master Plan. The importance of effective operation and reliability of the Power Plant cannot be overstated: it is critical to the health care, research and education activity on the campus. The van Zelm study supported the current power plant expansion project, as it addressed both near-term and long-term recommendations. The project will add required chiller capacity and redundancy, cooling tower capacity, and additional emergency power generation. The project is aligned with Governor Patrick's 2007 Energy Policy, including the promotion of distributed generation, which improves energy efficiency and reduces greenhouse gas emissions. The Power Plant expansion is underway with a completion date of early 2013.

UMMS' ambitious **sustainability objectives** are reflected throughout the Worcester Campus Master Plan, focusing on operational efficiency and new project identification, development and execution. The \$30 million air handling unit project will replace more than thirty antiquated units with new high efficiency units, improving energy utilization and reducing the campus carbon footprint. The co-generation system in the Power Plant dramatically reduces energy use and the associated carbon footprint, and by providing more than fifty percent of the electrical power to the campus as a distributed generation site, the Power Plant saves more than thirty percent of the typical electrical loss that happens as electricity is transmitted through power lines -- significantly offsetting greenhouse gas emissions. The Power Plant Expansion project's increased energy efficiency may top seventy percent, further reducing the campus carbon footprint and providing a cost effective solution to increased energy demands.

Jamaica Plain Campus

The Medical School's Jamaica Plain Campus consists of three buildings on approximately ten acres of land. The buildings are multi-tenanted, with Mass Biologics of UMass Medical School and the Department of Public Health State Laboratory Institute comprising the major occupants. The buildings range in age from 33 to more than 100 years old. Mass Biologics of UMMS is an FDA-licensed facility engaged in the manufacture of vaccines and biologic products. Continued FDA licensing is contingent upon compliance with "current Good Manufacturing Practices," a set of industry standards for the operation and maintenance of biologics manufacturing facilities.

The State Laboratory Institute, a Massachusetts Department of Public Health operation housed at the Jamaica Plain campus, is the only laboratory of its kind in the Commonwealth. The State Lab is responsible for testing and analysis necessary for the early detection of outbreaks of infectious disease, such as rabies, HIV, foodborne illnesses, H1N1 flu, West Nile Virus and Eastern Equine Encephalitis. Because of its importance to public health, the State Lab is a key center for activity in the Commonwealth in the case of flu pandemic.

Current plans for maximal use of the Mass Biologics of UMMS Mattapan campus, which houses two major Mass Biologics of UMMS facilities, include moving all Mass Biologics of UMMS operations in Jamaica Plain to the Mattapan site. The Mattapan site includes the main production and filling facility for monoclonal antibodies; and new research and development laboratory and office space. The design, production transfer and installation of Jamaica Plain operations to the Mattapan campus will take 18 -24 months and include build out of shelled basement space for a vivarium. The vivarium is necessary to comply with GMP manufacturing and production requirements and is included in the FY 2013 capital plan under "WCCC properties."

Shriver Center

The Medical School's Shriver Center in Waltham consists of two buildings on the grounds of the Fernald School. The Shriver Center conducts research in developmental disabilities in children and adults. The buildings at the Shriver Center are more than 35 years old, and very few capital improvements have been made. Over the past year, the \$8.5 million funding line for the Shriver Renovation Project was deleted on the EOAF cash flow plan. The Worcester campus has requested the reinstatement and transfer of this funding through the President's Office, DCAM and EOAF, as it has been determined that moving the Shriver operations to the Worcester campus is more efficient operationally and economically. DCAM-required project studies validated that the cost of refitting the existing buildings would exceed the capital appropriation and with the opening of the Sherman Center, space will be available on the main Worcester campus.

WCCC Properties

Worcester City Campus Corporation has properties on the Worcester campus and in Shrewsbury, Mattapan and Auburn. These properties include office buildings, laboratory facilities and parking garages. In 2007, the South Street property in Shrewsbury was purchased and increased the space inventory by more than 670,000 square feet. The UMass President's Office, Commonwealth Medicine, and medical school offices for human resources, information services and fundraising are all occupants of this facility. Several projects added to the capital plan reflect renovation for office use and deferred maintenance at the South Street facility. A majority of the capital funds identified in the WCCC plan are intended for Mattapan, where the Mass Biologics of UMMS conducts operations, as well as the South Street site.

The Deferred Maintenance Buy Down Plan

The Medical School, not unlike many universities and colleges, has a large backlog of deferred maintenance. A majority of the facilities on the campus were constructed in the 1970s and due to the life cycle of building systems, the stress of heavy utilization, changes in space use and reduced maintenance, there are many components that require replacement. These replacements have been deferred due to reduced funding levels; they currently create an operational, energy efficiency, safety and environmental risk. The maintenance backlog for the 900,000 square foot main school building is over \$100 million. The largest and highest priority item is the \$35 million project to replace 30 air handling units that have exceeded their life expectancy. Most of the high priority and life safety deficiencies are funded immediately upon recognition, or accelerated, to stay current with building codes and regulatory and accreditation requirements.

The Worcester campus monitors the list of deferred maintenance items and provides interim repairs as required to maintain operational requirements. The list is reviewed and prioritized as funding becomes available or a new project is initiated. The list is further reduced through the completion of new capital projects; the use of operational funds, internal funding and parking trust fund revenues; the review and disposal of unneeded systems; and through coordination of energy conservation funds from our electrical supplier, NGrid.

The Medical School's complex building infrastructure requires a more nuanced level of attention than a typical college campus. The hospital and biomedical research programs require a substantial investment in redundant building systems and thus have a bigger backlog of deferred maintenance. These sophisticated systems include those that support the laboratories and specialty areas such as medical imaging, biocontainment and animal quarters. These systems include enhanced lab plumbing systems that handle CO₂, vacuum, natural gas, and acid waste. In addition, the requirement for air distribution is 100% outside air, along with specialty space pressurization, humidity control and high ventilation areas.

Over the past 5 years, the Medical School has consistently invested in buying down deferred maintenance with projects such as the following:

- Between 2007 and 2009, the Medical School replaced all the elevators in the main school building. Control systems, cabling, cabs and motors were all replaced. This led to increased operational reliability and also increased the capacity and speed of the elevators.

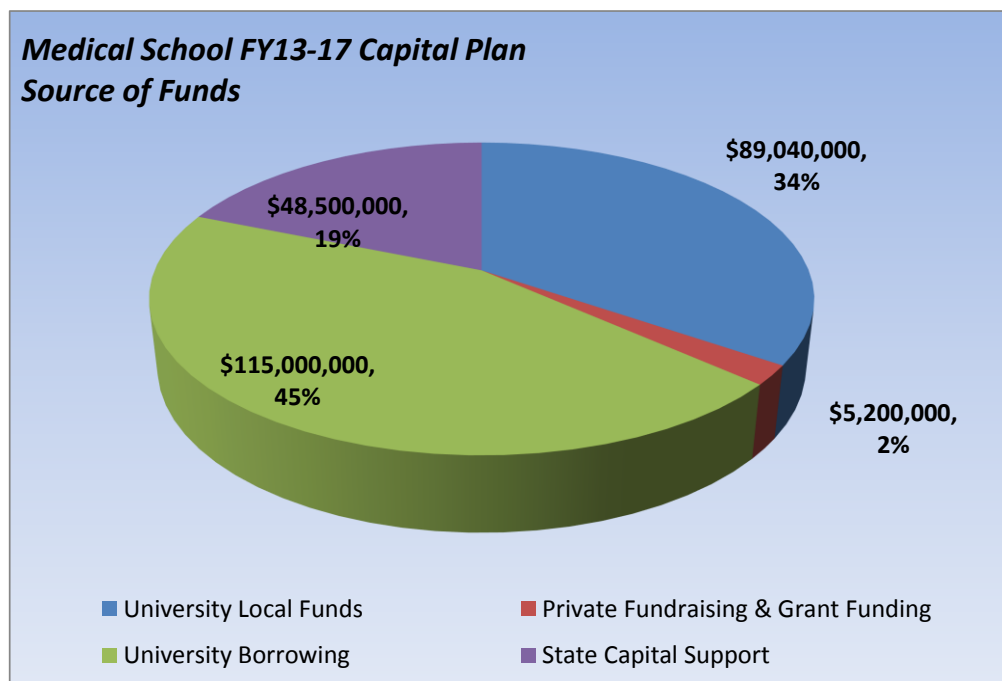
- In 2009, the fire alarm system was replaced throughout the school building. This was a critical life safety system that required system improvements and coverage to meet current code.
- Another deferred maintenance project jointly funded by the school and hospital was the repair and replacement of the original exterior wall system and roof, executed several years ago. The Granite Replacement Project replaced a granite façade failing due to its original design and poor quality materials and construction techniques. This \$65M project included the windows, doors and granite siding and eliminated a major safety concern, while increasing energy efficiency with enhanced wall insulation and high efficiency windows.
- Through periodic DCAM deferred maintenance funding, we are typically able to purchase between \$500,000 to \$1 million per year in backlog reduction. Recent projects include the replacement of domestic hot water heaters, roof replacements, 480V breaker renovations, new fire pump controls, and new AHUs for the animal quarters.
- Over the past two years, the campus has replaced the building management system in both the school and hospital; changed from high to low pressure steam service at the Brudnick Neurological Research Institute and added new 13.8kV electrical service; made extensive concrete and steel repairs to the employee parking garage; and installed additional reverse osmosis processing in the Power Plant. The campus continues to invest with internal and NIH funding in the modernization of critical research areas such as the animal quarters and biocontainment laboratories.

The Medical School will continue to reduce the deferred maintenance backlog with the following strategies;

1. Funding through the Higher Education Bond Bill – the Medical School currently has an earmarked \$30 million project on this cash flow list that will replace the air handling units.
2. DCAM Deferred Maintenance Program – UMMS has in the past several years been successful in receiving limited funding from the DCAM Facility Maintenance and Management Department. UMMS will continue to coordinate closely with this staff, respond to all calls for funding and keep the CAMIS system updated.
3. Eliminating redundant or obsolete systems – the facilities staff continues to analyze the requirements for various building and research specific systems to determine the viability of various systems and the utilization. Should the utilization decrease due to technology changes or the elimination of a program, the system will be surveyed and if not required, removed. For example, the 125 psi steam system throughout the campus is down to only several users, and within a year we will decommission the system and eventually remove the piping.
4. Trust Funded Operations – UMMS charges all employees, patients and visitors who park on the campus. The rates were established to cover the cost of operating two elevated parking garages and surface parking lots. The revenues cover the cost of the construction bonds, operations staff and future repair and renewal operations. New this year is a Utility Trust Fund that will operate similar to a small utility company. The rates were priced to cover not only construction bonds for several key projects, but also to buy down deferred maintenance and develop a fund to cover future renewal and replacements.

5. Energy project rebates – The Medical School has worked closely with NGrid, our electrical distribution company in the Worcester area to initiate, develop, and construction several key energy saving projects that have led to rebates of up to 50% of the capital outlay. We have replaced boilers, electrical drive chillers, lighting systems, etc. with this program.

NIH Funded projects – We have been successful in the past with several grant awards by the National Institute of Health. The completion last year of the new ABL-3, an animal biosafety level laboratory, not only provided new research space, but also reduced the deferred maintenance backlog with the replacement and installation of new building systems. This year we are in design of the 7th Floor BL-3 Renovation project that will not only increase the size of the laboratory but replace old troublesome air handling units.





University of Massachusetts FY13 Capital Plan Update
Medical School Projects

| Campus Priority | Campus Project Names | Project Type | Program Type | Total Project Cost Est. August 2012 | Five Year Spending Anticipated FY13-17 Cash Flow |
|----------------------------------|--|--------------|--------------|--|--|
| 1 | Power Plant Expansion | O | BI | \$51,000,000 | \$5,000,000 |
| 2 | Albert Sherman Center | O | TL | \$350,000,000 | \$100,000,000 |
| 3 | New NW Parking Garage | O | BI | \$40,000,000 | \$20,000,000 |
| 4 | School 4th fl Lab to Office Renovations - Backfill Phase 1 Basic Science wing | RV | R | \$2,000,000 | \$2,000,000 |
| 5 | School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2 | RV | TL | \$8,000,000 | \$8,000,000 |
| 6 | Enhance chilled water loop pump/controls | RV | BI | \$3,000,000 | \$3,000,000 |
| 7 | School HVAC Upgrades/Replacements | DM | BI | \$38,500,000 | \$38,500,000 |
| 8 | Renovate and Expand BL3 Suite - 7th Fl | RV | R | \$6,400,000 | \$6,400,000 |
| 9 | Steam Chiller Replacement 3 (New) | RV | BI | \$4,000,000 | \$4,000,000 |
| 11 | Balance of Plant Controls (BOP) Upgrade | RV | BI | \$2,257,500 | \$0 |
| 12 | Replace the Acid Neutralization Tanks | DM | BI | \$525,000 | \$0 |
| 13 | Land Acquisition per Master Plan | O | BI | \$35,000,000 | \$0 |
| 14 | Replace School Electric Substations | DM | BI | \$9,900,000 | \$0 |
| 15 | North Road Pavement, Sidewalks and Lighting | DM | BI | \$1,500,000 | \$0 |
| 16 | Parking Lot Maintenance - Main Campus | DM | BI | \$10,840,000 | \$10,840,000 |
| 17 | LP Boiler Re-tubing | DM | BI | \$4,000,000 | \$0 |
| 18 | Power Plant Governor PLC | RV | BI | \$1,200,000 | \$0 |
| 19 | Deferred Maintenance List - Priority 2, 3 | DM | BI | \$35,000,000 | \$0 |
| 20 | School Interior Renovations | RV | TL | \$4,000,000 | \$0 |
| 21 | School Building Retro Commissioning, LEED EB | RV | TL | \$3,000,000 | \$0 |
| 22 | Steam Chiller 2 Retrofits | DM | BI | \$1,000,000 | \$0 |
| 23 | Campus Landscape Improvements | O | BI | \$1,500,000 | \$0 |
| 24 | Network Infrastructure | E | BI | \$10,000,000 | \$10,000,000 |
| 25 | Departmental equipment purchases | E | R | \$10,000,000 | \$10,000,000 |
| 26 | Miscellaneous Roadway Projects | DM | BI | \$1,000,000 | \$0 |
| 27 | BNRI Upgrades | DM | R | \$1,500,000 | \$0 |
| JP-1 | Deferred Maintenance and Compliance Repairs | CO | BI | \$18,638,672 | \$0 |
| WCCC-1 | Master Plan Opportunities | O | BI | \$40,000,000 | \$40,000,000 |
| WCCC-2 | Mattapan Newborn screening and animal quarters fit up | RV | BI | \$7,000,000 | \$0 |
| WCCC-3 | South St Renovations, Deferred Maintenance, and Misc. WCCC Renovations | RV | BI | \$22,875,000 | \$0 |
| Total Designated Projects | | | | \$723,636,172 | \$257,740,000 |



Appendix A – University Capital Plan
Projects Requested for Board of Trustee Approval

Trustee Policy T92-122 requires that all construction or renovation projects with a total project cost exceeding \$1,000,000 dollars shall be approved by the Board of Trustees. The following list includes projects from the University’s FY13-17 Capital Plan Update that will be active during fiscal year FY13 and FY14.

Projects New to the Capital Plan with activity to commence by FY14:

| Campus | Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|---|-----------------|--|--------------------------------------|-----------------------------|
| Amherst | 36 | Water tank repairs | \$1,000,000 | \$1,000,000 |
| Amherst | 41 | Whitmore deferred maintenance | \$14,000,000 | \$14,000,000 |
| Boston | Bl.03 | Healey Building: Replace Plaza Level Waterproofing | \$4,000,000 | \$4,000,000 |
| Boston | Bl.07 | Clark Athletic Center Ice Rink: Replace Chiller Unit | \$1,000,000 | \$1,000,000 |
| Boston | Bl.08 | Clark Athletic Center: Repair South-facing Façade on Ice Rink facility | \$1,000,000 | \$1,000,000 |
| Boston | Bl.14.02 | Service and Supply Building: Install Fire Suppression System and Upgrade Fire Alarm System | \$2,300,000 | \$2,300,000 |
| Dartmouth | 7 | Security Installation Project | \$7,000,000 | \$7,000,000 |
| Lowell | 18 | Alumni Hall Renovations | \$5,000,000 | \$5,000,000 |
| Lowell | 20 | Transportation & Parking Improvements | \$4,000,000 | \$4,000,000 |
| Med School | 9 | Steam Chiller Replacement 3 | \$4,000,000 | \$4,000,000 |
| Total of New Projects that will be Active in FY13 and FY14 | | | \$43,300,000 | \$43,300,000 |



Projects authorized by the Board of Trustees through previous Capital Plan Updates with activity to commence by FY14:

Amherst Campus Projects

| Priority | Project Name | Cost Estimate | FY13-17 |
|----------|---|---------------|---------------|
| | | August 2012 | Spending |
| 1 | Housing Expansion | \$188,000,000 | \$129,000,000 |
| 2 | Life Science Laboratories | \$160,000,000 | \$44,444,000 |
| 3 | Academic Classroom Building | \$91,000,000 | \$75,700,000 |
| 4 | Life Science Laboratories, OIT data center fitout | \$7,000,000 | \$7,000,000 |
| 5 | Physical Sciences Building | \$85,000,000 | \$80,800,000 |
| 6 | Integrated Sciences Building fitout | \$2,000,000 | \$1,944,000 |
| 7 | Hills replacement Building | \$25,800,000 | \$25,800,000 |
| 8 | Bartlett Replacement Building | \$50,000,000 | \$50,000,000 |
| 10 | McGuirk Stadium Improvements | \$34,500,000 | \$34,000,000 |
| 11 | Champions Center | \$25,000,000 | \$25,000,000 |
| 12 | Life Sciences Facility | \$95,000,000 | \$73,500,000 |
| 13 | New Substation and Electrical Upgrades | \$40,000,000 | \$40,000,000 |
| 14 | Isenberg School of Management renovations and addition | \$40,000,000 | \$40,000,000 |
| 15 | School of Public Health facilities study | \$500,000 | \$500,000 |
| 16 | Life Science Laboratories Fit out | \$50,000,000 | \$50,000,000 |
| 17 | Relocate Chemical Storage Facility Study | \$500,000 | \$500,000 |
| 20 | Morrill complex repairs and renovations | \$9,081,000 | \$1,800,000 |
| 21 | McNamara & Brown roof, parapet and masonry | \$3,300,000 | \$1,600,000 |
| 22 | Kennedy & Washington laundry venting | \$1,700,000 | \$900,000 |
| 23 | Dickinson House, Field & Webster elevator | \$1,500,000 | \$1,200,000 |
| 24 | DuBois Library Elevator Replacement | \$5,000,000 | \$1,500,000 |
| 25 | DuBois Library Electrical, Plumbing, Fire Suppression, Deferred Maintenance | \$25,000,000 | \$22,450,000 |
| 27 | Totman Physical Education Building MEP | \$1,000,000 | \$6,000,000 |
| 28 | Fine Arts Center fire protection and emergency generator | \$3,250,000 | \$3,000,000 |
| 29 | ISOM architectural and MEP | \$2,000,000 | \$1,850,000 |
| 30 | Bartlett Deferred Maintenance & Façade | \$2,000,000 | \$1,300,000 |
| 31 | Webster, Grayson, Field window/masonry | \$13,500,000 | \$8,700,000 |
| 32 | Lincoln Apartments Utilities | \$1,500,000 | \$80,000 |
| 33 | Morrill IV Bridge replacement | \$500,000 | \$475,000 |
| 34 | Research Admin, MEP & fire alarm | \$1,500,000 | \$1,490,000 |
| 35 | Physical Plant deferred maintenance & renovations | \$7,500,000 | \$7,200,000 |
| 37 | Lederle Graduate Research Center Window encapsulation/replacement | \$4,500,000 | \$4,500,000 |
| 38 | Lederle Research Center Repairs and Renovations | \$41,250,000 | \$39,500,000 |
| 39 | Morrill Science Center Renovations | \$51,300,000 | \$47,300,000 |
| 40 | Farm and outlying stations renovations | \$4,500,000 | \$4,500,000 |
| 43 | Marston Repairs and Renovations | \$6,000,000 | \$6,000,000 |
| 44 | Roadway/Sidewalks/Parking lot Repairs and Improvements | \$5,000,000 | \$5,000,000 |
| 45 | Landscape Improvements | \$1,500,000 | \$1,500,000 |
| 46 | Deferred Maintenance & Modernization Projects | \$15,000,000 | \$15,000,000 |
| 47 | Replace Oil Filled Transformers | \$2,000,000 | \$2,000,000 |
| 48 | Intermediate Processing Facility DM/Sitework | \$500,000 | \$500,000 |
| 49 | Housing Sprinkler Systems | \$23,000,000 | \$4,600,000 |
| 50 | Fine Arts Center fire protection | \$2,500,000 | \$2,500,000 |



Amherst Campus Projects

| Priority | Project Name | Cost Estimate | FY13-17 |
|----------|---|---------------|--------------|
| | | August 2012 | Spending |
| 51 | Facility Demolitions | \$12,800,000 | \$12,100,000 |
| 52 | Central Campus Infrastructure | \$25,000,000 | \$24,700,000 |
| 53 | Chilled Water Loop | \$3,000,000 | \$2,000,000 |
| 54 | University Drive Infrastructure | \$8,000,000 | \$8,000,000 |
| 55 | Solar Panels | \$2,350,000 | \$2,350,000 |
| 56 | Lot 12 environmental | \$1,500,000 | \$1,500,000 |
| 57 | Coal Yard Decommission | \$1,000,000 | \$1,000,000 |
| 58 | Life Safety/Code Compliance | \$5,000,000 | \$5,000,000 |
| 59 | Campus Security Improvements | \$5,000,000 | \$5,000,000 |
| 60 | Campus Infrastructure | \$13,000,000 | \$13,000,000 |
| 61 | North Pleasant Street Road Improvements | \$9,000,000 | \$9,000,000 |
| 62 | Wayfinding and Signage | \$1,000,000 | \$1,000,000 |
| 63 | Property Acquisitions | \$1,500,000 | \$1,500,000 |
| 64 | Marks Meadow/Furcolo Renovations | \$21,400,000 | \$21,400,000 |
| 65 | ADA Accessibility | \$6,000,000 | \$6,000,000 |
| 66 | Lederle Research Center Faculty Renovations (NIH) | \$12,700,000 | \$5,950,000 |
| 67 | Paige Lab Renovations | \$9,900,000 | \$9,600,000 |
| 68 | Hampshire DC renovations | \$15,000,000 | \$14,950,000 |
| 69 | Lincoln Campus Center Concourse Improvements | \$12,000,000 | \$11,900,000 |
| 70 | Academic Renovations Pool | \$2,500,000 | \$2,500,000 |
| 71 | Campus Space Reallocation | \$5,000,000 | \$5,000,000 |
| 72 | Housing Repair & Renovation | \$25,000,000 | \$25,000,000 |
| 73 | Classroom Renovations | \$2,000,000 | \$2,000,000 |
| 74 | Goessmann Renovations | \$15,000,000 | \$6,800,000 |
| 75 | Hampden Dining/Student Union Study | \$400,000 | \$400,000 |
| 76 | New Faculty Hire Renovations | \$14,000,000 | \$13,000,000 |
| 77 | Electrical/other infrastructure | \$5,000,000 | \$5,000,000 |
| 78 | Hills relocations | \$4,000,000 | \$4,000,000 |
| 79 | Goodell deferred maintenance & renovations | \$3,500,000 | \$3,490,000 |
| 80 | Machmer renovations | \$1,200,000 | \$1,200,000 |
| 81 | Tobin Renovations | \$1,000,000 | \$1,000,000 |
| 82 | Fine Arts Center renovations | \$9,000,000 | \$9,000,000 |
| 83 | New Africa House renovations | \$1,700,000 | \$1,700,000 |
| 84 | Office Renovations | \$10,000,000 | \$9,000,000 |
| 85 | Life Science Laboratories backfill renovations | \$18,000,000 | \$18,000,000 |
| 86 | Dining Commons Renovations/study | \$1,000,000 | \$1,000,000 |
| 87 | Old Chapel Renovation/study | \$1,000,000 | \$1,000,000 |



Boston Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-----------------|---|--------------------------------------|-----------------------------|
| Bl.01 | Replace and Construct new Structure for Primary Campus Electrical Switchgear | \$5,500,000 | \$5,500,000 |
| Bl.02.01 | Wheatley Hall Roof Replacements and Building Envelope Repairs | \$3,600,000 | \$100,000 |
| Bl.02.02 | Clark Athletic Center: Replace/Repair East Curtain Wall | \$2,000,000 | \$2,000,000 |
| Bl.02.03 | Healey Building: Roof Replacement and Building Envelope Repairs | \$1,800,000 | \$1,800,000 |
| Bl.02.04 | Service and Supply Building: Roof Replacement and Building Envelope Repairs | \$1,750,000 | \$1,750,000 |
| Bl.04 | Campus Center: Install Interior Glazing on 2nd & 3rd Floors of Interior Atrium | \$600,000 | \$550,000 |
| Bl.05 | Grounds: Sea Wall and Harborwalk Construction on North-Facing Shore | \$3,800,000 | \$3,725,000 |
| Bl.06 | Nantucket Field Station: Repairs to Field Station Buildings and Septic System and Gouin Village Apartment Repairs | \$2,000,000 | \$1,500,000 |
| Bl.09 | Healey Building: Fire Protection Improvements (Install Fire Sprinklers, Replace Fire Alarm System and Fire Pumps) | \$8,200,000 | \$8,200,000 |
| Bl.10 | Clark Athletic Center/McCormack Hall/Quinn Administration/Wheatley Hall: Elevator Renovations | \$3,300,000 | \$3,200,000 |
| Bl.11.01 | Saltwater Pump House: Mechanical System Upgrades | \$1,500,000 | \$1,500,000 |
| Bl.12 | Campus-wide: Central IT Upgrades/Replacements | \$5,000,000 | \$5,000,000 |
| Bl.13 | Campus-wide: Telephone System Upgrades | \$1,300,000 | \$1,300,000 |
| Bl.15 | Calf Pasture Pumping Station: Security and Button-up Envelope at ownership transition | \$500,000 | \$440,000 |
| Bl.16 | Campus Wide: One Card System | \$2,000,000 | \$2,000,000 |
| Bl.17 | Campus-wide: ADA Compliance | \$1,000,000 | \$1,000,000 |
| Bl.18 | Fox Point Docks: Upgrades and ADA Accessibility | \$1,500,000 | \$1,500,000 |
| Bl.19 | Campus-wide: Replace Exterior Doors to Ensure Climate Control (including vestibules) and Code Compliance | \$3,200,000 | \$3,150,000 |
| Bl.20 | Campus-wide: Off-site Data Center Backup | \$600,000 | \$600,000 |
| Bl.22 | Projects Less Than \$500,000 (Aggregate) | \$4,700,000 | \$4,350,000 |
| MP.01.01 | Master Plan Phase I: Construct New Integrated Sciences Complex | \$182,000,000 | \$161,000,000 |
| MP.01.02 | Master Plan Phase I: Utility Plant System Expansion and Upgrades to Accommodate ISC and GAB | \$3,000,000 | \$3,000,000 |
| MP.01.03 | Life Sciences: Center for Personalized Cancer Therapy (To be located within Integrated Sciences Complex) | \$10,000,000 | \$10,000,000 |
| MP.02.01 | Master Plan Phase I: Utility Corridor and Roadway Relocation Project | \$143,000,000 | \$140,900,000 |
| MP.02.02 | Master Plan Phase I: Utility Plant Upgrades related to pumps, controls, heat exchangers and Utility Corridor | \$11,000,000 | \$11,000,000 |
| MP.02.03 | Master Plan Phase I: Construct new Trigeneration Facility to accommodate increased campus water and electrical | \$27,500,000 | \$27,500,000 |
| MP.03 | Master Plan Phase I: Construct New Academic Building 1 | \$113,000,000 | \$110,800,000 |
| MP.04 | Master Plan Phase I: Construct 1,000 Bed Residence Hall 1 | \$100,000,000 | \$100,000,000 |
| MP.05.01 | Master Plan Phase I: Renovations to Existing Campus Buildings | \$75,000,000 | \$75,000,000 |
| MP.06.01 | Master Plan Phase I: Study Substructure and Science Center Demolition | \$1,150,000 | \$1,150,000 |
| MP.06.02 | Master Plan Phase I: Construct new campus Greenhouse for research, teaching and community service | \$5,000,000 | \$5,000,000 |
| MP.06.03 | Master Plan Phase I: Relocate College of Science and Mathematics Machine Shop | \$1,000,000 | \$1,000,000 |
| MP.06.04 | Master Plan Phase I: Study Replacement of Catwalk/Enclosed Campus Walkway System and Connections | \$1,000,000 | \$1,000,000 |
| MP.06.05 | Master Plan Phase I: Study new LL/UL Facades and Access to Buildings from Grade | \$1,000,000 | \$1,000,000 |
| MP.06.06 | Master Plan Phase I: Substructure and Science Center Demolition | \$15,000,000 | \$15,000,000 |
| MP.06.08 | Master Plan Phase I: Relocate Track/Athletic Field | \$2,800,000 | \$2,800,000 |
| MP.07 | Master Plan Phase I: Construct New Academic Building 2 | \$100,000,000 | \$74,500,000 |
| MP.08 | Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage West including Public Safety Space | \$45,000,000 | \$45,000,000 |
| MP.09 | Master Plan Phase I: Build Out Campus Center UL Parking Garage Space as Assignable Space | \$5,000,000 | \$5,000,000 |
| MP.10 | Master Plan Phase I: Secure or Demolish Bayside Expo Center building and initial property improvements | \$6,000,000 | \$6,000,000 |
| SU.01 | Substructure: Interim Structural Stabilization, Access/Egress and Acid Neutralization Tanks | \$28,505,000 | \$500,000 |
| SU.02 | Substructure: Utility Plant Roof Replacement | \$4,570,000 | \$1,050,000 |
| TR.01 | McCormack Hall: Conversion of Vacant Cafeteria, Servery and Kitchen Space for College of Nursing | \$2,275,000 | \$2,275,000 |
| TR.02 | Campus -wide: Renovations to Support Teaching and Research | \$850,000 | \$850,000 |
| TR.03 | Healey Building/Quinn Administration Building: Construct new classrooms | \$1,000,000 | \$1,000,000 |
| TR.04 | Clark Athletic Center: Replacement of Gymnasium Floor and Bleacher Repairs | \$2,450,000 | \$1,850,000 |



Dartmouth Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-----------------|---|--------------------------------------|-----------------------------|
| 1 | Claire T. Carney Library - Expansion & Renovation | \$46,000,000 | \$14,000,000 |
| 2 | Energy / Water Savings Project | \$40,000,000 | \$28,000,000 |
| 3 | Massachusetts Accelerator for Biomanufacturing (MAB) (Fall River) | \$25,600,000 | \$23,846,624 |
| 4 | SMAST / DMF Expansion | \$48,000,000 | \$47,359,830 |
| 8 | Feasibility/Planning New Academic Bldg | \$500,000 | \$500,000 |
| 9 | New Academic Building | \$75,000,000 | \$46,500,000 |
| 10 | Repair Four Oldest Residence Halls | \$75,000,000 | \$22,750,000 |
| 11 | Fitness Center Expansion | \$5,100,000 | \$5,100,000 |
| 13 | Tripp Athletic Center - Locker & Training Room Renovations | \$1,900,000 | \$1,305,564 |
| 14 | Research Laboratory Improvements | \$11,865,800 | \$10,781,875 |
| 16 | Charlton College of Business, Phase II | \$15,000,000 | \$15,000,000 |
| 17 | Replace Failed HVAC Systems | \$3,500,000 | \$3,500,000 |
| 20 | ADA Renovations Immediate Needs | \$2,184,000 | \$750,000 |
| 24 | Landscape/Lighting Improvements | \$1,832,000 | \$832,000 |
| 25 | Ring Road Replacement Study | \$500,000 | \$500,000 |

Lowell Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-----------------|---|--------------------------------------|-----------------------------|
| 1 | ETIC Bldg. (incl. 3rd & 4th floors) | \$81,500,000 | \$25,750,000 |
| 2 | Health & Social Sciences Bldg (HSSB) (South Campus Academic Bldg.) | \$41,000,000 | \$21,000,000 |
| 3 | University Suites (Aiken St.)Residence Hall | \$56,000,000 | \$56,000,000 |
| 4 | University Crossing - Student Life, Student Services & Admin Serv. | \$91,500,000 | \$91,500,000 |
| 5 | Fox Hall Dining Renovations | \$10,500,000 | \$6,000,000 |
| 6 | North Campus Garage | \$20,000,000 | \$10,000,000 |
| 7 | South Campus Garage | \$20,000,000 | \$20,000,000 |
| 8 | Pulichino/Tong School of Business Building | \$35,000,000 | \$35,000,000 |
| 9 | On-Going Academic Modernization incl. Relocations (Phase 1: FY13-22) | \$30,000,000 | \$15,000,000 |
| 10 | Energy & Power Plant Improvements (incl. Performance Contract) | \$30,000,000 | \$24,000,000 |
| 11 | Science & Engineering Master Plan-Perry Hall (Engineering Bld.) Renewal | \$25,000,000 | \$25,000,000 |
| 12 | Science & Engineering Master Plan-Olsen Renovations | \$45,000,000 | \$26,100,000 |
| 13 | Leitch & Bourgeois Res Hall Renovations | \$25,000,000 | \$25,000,000 |
| 14 | South Campus Master Plan & Initial Space Revisions | \$20,000,000 | \$20,000,000 |
| 15 | Capital Renewal/Deferred Maintenance/Compliance (Phase 1: FY13-22) | \$80,000,000 | \$40,000,000 |
| 16 | Property Acquisitions | \$10,000,000 | \$10,000,000 |
| 17 | Technology Infrastructure | \$15,000,000 | \$7,500,000 |
| 19 | Science & Engineering Master Plan-North Campus Quad Renew | \$31,500,000 | \$8,230,000 |
| 21 | Residential Hall Comprehensive Renewal Program (Phase 1: FY13-22) | \$30,000,000 | \$15,000,000 |
| 22 | Wannalancit | \$7,100,000 | \$5,700,000 |
| 23 | Civic & Athletic Facilities | \$3,300,000 | \$2,500,000 |

Medical School Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-----------------|--|--------------------------------------|-----------------------------|
| 1 | Power Plant Expansion | \$51,000,000 | \$5,000,000 |
| 2 | Albert Sherman Center | \$350,000,000 | \$100,000,000 |
| 3 | New NW Parking Garage | \$40,000,000 | \$20,000,000 |
| 4 | School 4th fl Lab to Office Renovations - Backfill Phase 1 Basic Science wing | \$2,000,000 | \$2,000,000 |
| 5 | School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2 | \$8,000,000 | \$8,000,000 |
| 6 | Enhance chilled water loop pump/controls | \$3,000,000 | \$3,000,000 |
| 7 | School HVAC Upgrades/Replacements | \$38,500,000 | \$38,500,000 |
| 8 | Renovate and Expand BL3 Suite - 7th Fl | \$6,400,000 | \$6,400,000 |
| 16 | Parking Lot Maintenance - Main Campus | \$10,840,000 | \$10,840,000 |
| 24 | Network Infrastructure | \$10,000,000 | \$10,000,000 |
| 25 | Departmental equipment purchases | \$10,000,000 | \$10,000,000 |



Appendix B
Change in Estimates of Total Project Cost Greater than 20%
Projects Previously Approved by the Board of Trustees

As detailed in the attached table, the total cost of University capital projects can change for various reasons, including scope expansion, planning adjustments, price escalation, revised guidance provided by oversight agencies, or more informed estimates:



| Campus | Project Name | Initial Approval Date | Initial TPC | Revised TPC | % Increase | Explanation for Change in Cost |
|---------|--|-----------------------|--------------|--------------|------------|--|
| Amherst | New Substation and Electrical Upgrades | FY08-12 Cap Plan | \$16,000,000 | \$40,000,000 | 150% | The campus generates electricity at the Central Heating Plant, but is also supplied electricity from the local electric utility company. Studies showed that the local utility must improve their distribution system in order to provide reliable and sufficient power supply to the campus. The original concept was for the utility company to rebuild one of two sub-stations that feeds the campus, and the campus would undertake corresponding distribution upgrades on campus. However, given the utility company's failure to maintain and improve the electrical distribution system, the campus' ability to borrow money at a lower interest rate, an approximately \$1,000,000 per year of electric cost savings by bypassing the utility company substation and connecting directly to the electrical transmission system, the campus has determined that it is prudent to build its own substation and also make corresponding electrical infrastructure improvements. |
| Amherst | Paige Lab Renovations | FY09-13 Cap Plan | \$6,000,000 | \$9,900,000 | 65% | Paige Laboratory was vacated when Vet & Animal Science relocated to the Integrated Sciences Building. At that time, Paige was classified as a bridge building and therefore the approved funding of \$6 million supported minimal renovations to accommodate research for a short term period. Subsequent planning efforts determined that Paige should be more fully renovated in order to eliminate deferred maintenance and make program enhancements to accommodate research over a long term period. |
| Boston | Nantucket Field Station: Repairs to Field Station Buildings and Septic System and Gouin Village Apartment Repairs | FY12-16 Cap Plan | \$1,400,000 | \$2,000,000 | 43% | The cost for the septic system repair increased by approximately \$355,000 due to the need for extensive archeological inspection and archeological finds that required modifications to avoid sensitive cultural sites. As design work for the renovations and repairs progressed, the extent of identified deterioration to building systems and the extent of remediation efforts increased, increasing the scope and cost of repairs needed to bring Nantucket Field Station facilities up to the condition necessary needed to remain operational. |
| Boston | Master Plan Phase I: Utility Plant Upgrades related to pumps, controls, heat exchangers and Utility Corridor Reconfiguration | FY09-13 Cap Plan | \$7,000,000 | \$11,000,000 | 57% | As the design process has continued, additional equipment replacement was identified in order to achieve maximum capacity from the chillers and boilers. This capacity is needed to supply chilled and hot water to the campus, including the ISC and GAB. Without these improvements, the poor operational efficiency of Utility Plant systems as currently configured will not supply the necessary chilled water and hot water capacity. In addition, the significant increase seen in pricing for Mechanical, Electrical and Plumbing trade work (MEP) that has taken place over the past year has also been included in the most recent estimates. |
| Boston | Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage West including Public Safety Space | FY09-13 Cap Plan | \$35,000,000 | \$45,000,000 | 29% | This project was originally placed in the Capital Plan four years ago and required factoring escalation into the planning estimate. In addition, the revised price for Parking Garage West includes \$4 million for the relocation of the Department of Public Safety to that facility. Space for Public Safety was included in the FY12 Capital Plan as project MP.01.03 |



| Campus | Project Name | Initial Approval Date | Initial TPC | Revised TPC | % Increase | Explanation for Change in Cost |
|-----------|--|-----------------------|--------------|--------------|------------|--|
| Dartmouth | New Academic Building | FY12-16 Cap Plan | \$55,000,000 | \$75,000,000 | 36% | Reviewing comparable projects at Umass-Amherst (\$93M) and Umass-Boston (\$113M & \$100M) which average \$93M it was determined that in the very early stage of this project the total project cost should be increased. This increase will reflect a more realistic budget for the project. Confirmation of the total project budget will be done through Priority 7 the Feasibility Study. \$46.5M in state funding is currently planned for this project an additional \$28.5M in funding needs to be identified. |
| Dartmouth | Athletic Field Replacement & Track Renovation | FY12-16 Cap Plan | \$819,000 | \$1,400,000 | 71% | After review of the initial planning estimate with comparable projects constructed recently the Athletic Field Replacement project is approximately \$1.2M. The track surrounding this field requires renovation and an initial planning estimate is approximately \$200K. |
| Lowell | Leitch & Bourgeois Residence Hall Renovations | FY10-14 Cap Plan | \$20,000,000 | \$25,000,000 | 25% | Initial review projects an increase in TPC |
| Medical | School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2 | FY12-16 Cap Plan | \$4,200,000 | \$8,000,000 | 90% | To reflect additional scope specified by senior leadership |
| Medical | School HVAC Upgrades/Replacements | FY10-14 Cap Plan | \$30,000,000 | \$38,500,000 | 28% | Per DCAM allocation (see Appendix A DCAM Managed Projects of this spreadsheet) |
| Medical | Renovate and Expand BL3 Suite 7th Fl | FY10-14 Cap Plan | \$5,500,000 | \$6,400,000 | 16% | Additional funding from local funds to cover scope not funded in NIH grant. |
| Medical | North Road Pavement, Sidewalks and Lighting | FY11-15 Cap Plan | \$600,000 | \$1,500,000 | 150% | To reflect additional scope specified by infrastructure and safety requirements |
| Medical | Steam Chiller 2 Retrofits | FY11-15 Cap Plan | \$500,000 | \$1,000,000 | 100% | To reflect additional scope specified by infrastructure requirements |

**EXTRACT FROM THE RECORDS OF
UNIVERSITY OF MASSACHUSETTS**

I. Zunilka Barrett, Interim Secretary to the Board of Trustees of the University of Massachusetts, do hereby certify that the following is a true and complete copy of a vote duly adopted by the Board of Trustees of the University of Massachusetts at a meeting duly called and held on the nineteenth day of September, two-thousand and twelve, at the University of Massachusetts Medical School, Faculty Conference Room, 55 Lake Avenue North, Worcester, Massachusetts:

VOTED: Pursuant to Trustee policy T93-122, to approve the following capital projects identified in Appendix A of the University Capital Plan as described in Doc. T12-062:

Projects for Board of Trustee Approval

A. Projects New to the Capital Plan with activity to commence by FY14:

| Campus | Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|---|-----------------|--|--------------------------------------|-----------------------------|
| Anherst | 36 | Water tank repairs | \$1,000,000 | \$1,000,000 |
| Anherst | 41 | Whitmore deferred maintenance | \$14,000,000 | \$14,000,000 |
| Boston | BI.03 | Healey Building: Replace Plaza Level Waterproofing | \$4,000,000 | \$4,000,000 |
| Boston | BI.07 | Clark Athletic Center Ice Rink: Replace Chiller Unit | \$1,000,000 | \$1,000,000 |
| Boston | BI.08 | Clark Athletic Center: Repair South-facing Façade on Ice Rink facility | \$1,000,000 | \$1,000,000 |
| Boston | BI.14.02 | Service and Supply Building: Install Fire Suppression System and Upgrade Fire Alarm System | \$2,300,000 | \$2,300,000 |
| Dartmouth | 7 | Security Installation Project | \$7,000,000 | \$7,000,000 |
| Lowell | 18 | Alumni Hall Renovations | \$5,000,000 | \$5,000,000 |
| Lowell | 20 | Transportation & Parking Improvements | \$4,000,000 | \$4,000,000 |
| Med School | 9 | Steam Chiller Replacement 3 | \$4,000,000 | \$4,000,000 |
| Total of New Projects that will be Active in FY13 and FY14 | | | \$43,300,000 | \$43,300,000 |

B. Projects authorized by the Board of Trustees through previous Capital Plan Updates with activity to commence by FY14:

Amherst Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|----------|---|------------------------------|---------------------|
| 1 | Housing Expansion | \$188,000,000 | \$129,000,000 |
| 2 | Life Science Laboratories | \$160,000,000 | \$44,444,000 |
| 3 | Academic Classroom Building | \$91,000,000 | \$75,700,000 |
| 4 | Life Science Laboratories, OIT data center fitout | \$7,000,000 | \$7,000,000 |
| 5 | Physical Sciences Building | \$85,000,000 | \$80,800,000 |
| 6 | Integrated Sciences Building fitout | \$2,000,000 | \$1,944,000 |
| 7 | Hills replacement Building | \$25,800,000 | \$25,800,000 |
| 8 | Bartlett Replacement Building | \$50,000,000 | \$50,000,000 |
| 10 | McGuirk Stadium Improvements | \$34,500,000 | \$34,000,000 |
| 11 | Champlain Center | \$25,000,000 | \$25,000,000 |
| 12 | Life Sciences Facility | \$95,000,000 | \$73,500,000 |
| 13 | New Substation and Electrical Upgrades | \$40,000,000 | \$40,000,000 |
| 14 | Isenberg School of Management renovations and addition | \$40,000,000 | \$40,000,000 |
| 15 | School of Public Health Facilities study | \$500,000 | \$500,000 |
| 16 | Life Science Laboratories Fit out | \$500,000 | \$500,000 |
| 17 | Relocate Chemical Storage Facility Study | \$500,000 | \$500,000 |
| 19 | Ledarle Graduate Research, basic systems upgrades | \$10,305,000 | \$1,800,000 |
| 20 | Morrill complex repairs and renovations | \$9,081,000 | \$1,800,000 |
| 21 | McNamara & Brown roof, parapet and masonry | \$3,300,000 | \$1,600,000 |
| 22 | Kennedy & Washington laundry venting | \$1,700,000 | \$900,000 |
| 23 | Dickinson House, Field & Webster elevator | \$1,500,000 | \$1,200,000 |
| 24 | DuBois Library Elevator Replacement | \$5,000,000 | \$1,500,000 |
| 25 | DuBois Library Electrical, Plumbing, Fire Suppression, Deferred Maintenance | \$25,000,000 | \$22,450,000 |
| 27 | Totman Physical Education Building MEP | \$1,000,000 | \$6,000,000 |
| 28 | Fine Arts Center fire protection and emergency generator | \$3,250,000 | \$3,000,000 |
| 29 | ISOM architectural and MEP | \$2,000,000 | \$1,850,000 |
| 30 | Bartlett Deferred Maintenance & Façade | \$2,000,000 | \$1,300,000 |
| 31 | Webster, Grayson, Field window/masonry | \$13,500,000 | \$8,700,000 |
| 32 | Lincoln Apartments Utilities | \$1,500,000 | \$80,000 |
| 33 | Morrill IV Bridge replacement | \$500,000 | \$475,000 |
| 34 | Research Admin, MEP & fire alarm | \$1,500,000 | \$1,490,000 |
| 35 | Physical Plant deferred maintenance & renovations | \$7,500,000 | \$7,200,000 |
| 37 | Ledarle Graduate Research Center Window encapsulation/replacement | \$4,500,000 | \$4,500,000 |
| 38 | Ledarle Research Center Repairs and Renovations | \$41,250,000 | \$39,500,000 |
| 39 | Morrill Science Center Renovations | \$51,300,000 | \$47,300,000 |
| 40 | Morrill Science Center Renovations | \$4,500,000 | \$4,500,000 |
| 43 | Farm and outlying stations renovations | \$6,000,000 | \$6,000,000 |
| 44 | Marston Repairs and Renovations | \$5,000,000 | \$5,000,000 |
| 44 | Roadway/Sidewalks/Parking lot Repairs and Improvements | \$5,000,000 | \$5,000,000 |
| 45 | Landscaping Improvements | \$1,500,000 | \$1,500,000 |
| 46 | Deferred Maintenance & Modernization Projects | \$15,000,000 | \$15,000,000 |
| 47 | Replace Oil Filled Transformers | \$2,000,000 | \$2,000,000 |
| 48 | Intermediate Processing Facility DM/Sitework | \$500,000 | \$500,000 |
| 49 | Housing Sprinkler Systems | \$23,000,000 | \$4,600,000 |
| 50 | Fine Arts Center fire protection | \$2,500,000 | \$2,500,000 |

Amherst Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-----------------|--|--------------------------------------|-----------------------------|
| | | \$12,800,000 | \$12,100,000 |
| 51 | Facility Demolitions | \$25,000,000 | \$24,700,000 |
| 52 | Central Campus Infrastructure | \$3,000,000 | \$2,000,000 |
| 53 | Chilled Water Loop | \$8,000,000 | \$8,000,000 |
| 54 | University Drive Infrastructure | \$2,350,000 | \$2,350,000 |
| 55 | Solar Panels | \$1,500,000 | \$1,500,000 |
| 56 | Lot 12 environmental | \$1,000,000 | \$1,000,000 |
| 57 | Coal Yard Decommission | \$5,000,000 | \$5,000,000 |
| 58 | Life Safety/Code Compliance | \$5,000,000 | \$5,000,000 |
| 59 | Campus Security Improvements | \$13,000,000 | \$13,000,000 |
| 60 | Campus Infrastructure | \$9,000,000 | \$9,000,000 |
| 61 | North Pleasant Street Road Improvements | \$1,000,000 | \$1,000,000 |
| 62 | Wayfinding and Signage | \$1,500,000 | \$1,500,000 |
| 63 | Property Acquisitions | \$21,400,000 | \$21,400,000 |
| 64 | Marks Meadow/Furcolo Renovations | \$6,000,000 | \$6,000,000 |
| 65 | ADA Accessibility | \$12,700,000 | \$5,950,000 |
| 66 | Lederle Research Center Facility Renovations (NIH) | \$9,900,000 | \$9,600,000 |
| 67 | Palge Lab Renovations | \$15,000,000 | \$14,950,000 |
| 68 | Hampshire DC renovations | \$12,000,000 | \$11,900,000 |
| 69 | Lincoln Campus Center Concourse Improvements | \$2,500,000 | \$2,500,000 |
| 70 | Academic Renovations Pool | \$5,000,000 | \$5,000,000 |
| 71 | Campus Space Reallocation | \$25,000,000 | \$25,000,000 |
| 72 | Housing Repair & Renovation | \$2,000,000 | \$2,000,000 |
| 73 | Classroom Renovations | \$15,000,000 | \$6,800,000 |
| 74 | Goessmann Renovations | \$400,000 | \$400,000 |
| 75 | Hampden Dining/Student Union Study | \$14,000,000 | \$13,000,000 |
| 76 | New Faculty Hire Renovations | \$5,000,000 | \$5,000,000 |
| 77 | Electrical/other Infrastructure | \$4,000,000 | \$4,000,000 |
| 78 | Hills relocations | \$3,500,000 | \$3,490,000 |
| 79 | Goodell deferred maintenance & renovations | \$1,200,000 | \$1,200,000 |
| 80 | Madmer renovations | \$1,000,000 | \$1,000,000 |
| 81 | Tobin Renovations | \$9,000,000 | \$9,000,000 |
| 82 | Fine Arts Center renovations | \$1,700,000 | \$1,700,000 |
| 83 | New Africa House renovations | \$10,000,000 | \$9,000,000 |
| 84 | Office Renovations | \$18,000,000 | \$18,000,000 |
| 85 | Life Science Laboratories backfill renovations | \$1,000,000 | \$1,000,000 |
| 86 | Dining Commons Renovations/study | \$1,000,000 | \$1,000,000 |
| 87 | Old Chapel Renovation/study | | |
| | Amherst Campus Subtotal | \$1,424,436,000 | \$1,137,473,000 |

Boston Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-------------------------------|--|------------------------------|----------------------|
| BL01 | Replace and Construct new Structure for Primary Campus Electrical Switchgear | \$5,500,000 | \$5,500,000 |
| BL02.01 | Wheatley Hall Roof Replacements and Building Envelope Repairs | \$3,600,000 | \$100,000 |
| BL02.02 | Clark Athletic Center: Replace/Repair East Curtain Wall | \$2,000,000 | \$2,000,000 |
| BL02.03 | Healey Building: Roof Replacement and Building Envelope Repairs | \$1,800,000 | \$1,800,000 |
| BL02.04 | Service and Supply Building: Roof Replacement and Building Envelope Repairs | \$1,750,000 | \$1,750,000 |
| BL04 | Campus Center: Install Interior Glazing on 2nd & 3rd Floors of Interior Atrium | \$600,000 | \$550,000 |
| BL05 | Grounds: Sea Wall and Harborwalk Construction on North-Facing Shore | \$3,800,000 | \$3,725,000 |
| BL06 | Nantucket Field Stations: Repairs to Field Station Buildings and Septic System and Gough Village Apartment Repairs | \$2,000,000 | \$1,500,000 |
| BL09 | Healey Building: Fire Protection Improvements (Install Fire Sprinklers, Replace Fire Alarm System and Fire Pumps) | \$8,200,000 | \$8,200,000 |
| BL10 | Clark Athletic Center/McCormack Hall/Quinn Administration/Wheatley Hall: Elevator Renovations | \$3,300,000 | \$3,200,000 |
| BL11.01 | Seawater Pump House: Mechanical System Upgrades | \$1,500,000 | \$1,500,000 |
| BL12 | Campus-wide: Central IT Upgrades/Replacements | \$5,000,000 | \$5,000,000 |
| BL13 | Campus-wide: Telephone System Upgrades | \$1,300,000 | \$1,300,000 |
| BL15 | Calf Pasture Pumping Station: Security and Button-up Envelope at ownership transition | \$500,000 | \$440,000 |
| BL16 | Campus Wide: One Card System | \$2,000,000 | \$2,000,000 |
| BL17 | Campus-wide: ADA Compliance | \$1,000,000 | \$1,000,000 |
| BL18 | Fox Point Docks: Upgrades and ADA Accessibility | \$1,500,000 | \$1,500,000 |
| BL19 | Campus-wide: Replace Exterior Doors to Ensure Climate Control (including vestibules) and Code Compliance | \$3,200,000 | \$3,150,000 |
| BL20 | Campus-wide: Off-site Data Center Backup | \$600,000 | \$600,000 |
| BL22 | Projects Less Than \$500,000 (Aggregate) | \$4,700,000 | \$4,350,000 |
| MP.01.01 | Master Plan Phase I: Construct New Integrated Sciences Complex | \$182,000,000 | \$161,000,000 |
| MP.01.02 | Master Plan Phase I: Utility Plant System Expansion and Upgrades to Accommodate ISC and GAB | \$3,000,000 | \$3,000,000 |
| MP.01.03 | Life Sciences: Center for Personalized Cancer Therapy (to be located within Integrated Sciences Complex) | \$10,000,000 | \$10,000,000 |
| MP.02.01 | Master Plan Phase I: Utility Corridor and Roadway Relocation Project | \$143,000,000 | \$140,900,000 |
| MP.02.02 | Master Plan Phase I: Utility Plant Upgrades related to pumps, controls, heat exchangers and Utility Corridor | \$11,000,000 | \$11,000,000 |
| MP.02.03 | Master Plan Phase I: Construct new Trigereneration Facility to accommodate increased campus water and electrical | \$27,500,000 | \$27,500,000 |
| MP.03 | Master Plan Phase I: Construct New Academic Building 1 | \$113,000,000 | \$110,800,000 |
| MP.04 | Master Plan Phase I: Construct 1,000 Bed Residence Hall 1 | \$100,000,000 | \$100,000,000 |
| MP.05.01 | Master Plan Phase I: Renovations to Existing Campus Buildings | \$75,000,000 | \$75,000,000 |
| MP.06.01 | Master Plan Phase I: Study Substructure and Science Center Demolition | \$1,150,000 | \$1,150,000 |
| MP.06.02 | Master Plan Phase I: Construct new campus Greenhouse for research, teaching and community service | \$5,000,000 | \$5,000,000 |
| MP.06.03 | Master Plan Phase I: Relocate College of Science and Mathematics Machine Shop | \$1,000,000 | \$1,000,000 |
| MP.06.04 | Master Plan Phase I: Study Replacement of Catwalk/Enclosed Campus Walkway System and Connections | \$1,000,000 | \$1,000,000 |
| MP.06.05 | Master Plan Phase I: Study new LL/UL Facades and Access to Buildings from Grade | \$1,000,000 | \$1,000,000 |
| MP.06.06 | Master Plan Phase I: Study new LL/UL Facades and Access to Buildings from Grade | \$15,000,000 | \$15,000,000 |
| MP.06.08 | Master Plan Phase I: Relocate Track/Athletic Field | \$2,800,000 | \$2,800,000 |
| MP.07 | Master Plan Phase I: Construct New Academic Building 2 | \$100,000,000 | \$74,500,000 |
| MP.08 | Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage West including Public Safety Space | \$45,000,000 | \$45,000,000 |
| MP.09 | Master Plan Phase I: Build Out Campus Center UL Parking Garage Space as Assignable Space | \$5,000,000 | \$5,000,000 |
| MP.10 | Master Plan Phase I: Secure or Demolish Bayside Expo Center building and initial property improvements | \$6,000,000 | \$6,000,000 |
| SU.01 | Substructure: Interim Structural Stabilization, Access/Egress and Acid Neutralization Tanks | \$28,505,000 | \$500,000 |
| SU.02 | Substructure: Utility Plant Roof Replacement | \$4,570,000 | \$1,050,000 |
| TR.01 | McCormack Hall Conversion of Vacant Cafeteria, Seryery and Kitchen Space for Collage of Nursing | \$2,275,000 | \$2,275,000 |
| TR.02 | Campus-wide: Renovations to Support Teaching and Research | \$850,000 | \$850,000 |
| TR.03 | Healey Building/Quinn Administration Building: Construct new classrooms | \$1,000,000 | \$1,000,000 |
| TR.04 | Clark Athletic Center: Replacement of Gymnasium Floor and Bleacher Repairs | \$2,450,000 | \$1,850,000 |
| Boston Campus Subtotal | | \$940,950,000 | \$853,340,000 |

Dartmouth Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|----------------------------------|---|------------------------------|----------------------|
| 1 | Claire T. Carney Library - Expansion & Renovation | \$46,000,000 | \$14,000,000 |
| 2 | Energy / Water Savings Project | \$40,000,000 | \$28,000,000 |
| 3 | Massachusetts Accelerator for Biomufacturing (MAB) (Fall River) | \$25,600,000 | \$23,846,624 |
| 4 | SMART / DMF Expansion | \$48,000,000 | \$47,359,830 |
| 8 | Feasibility/Planning New Academic Bldg | \$500,000 | \$500,000 |
| 9 | New Academic Building | \$75,000,000 | \$46,500,000 |
| 10 | Repair Four Oldest Residence Halls | \$75,000,000 | \$22,750,000 |
| 11 | Fitness Center Expansion | \$5,100,000 | \$5,100,000 |
| 13 | Tripp Athletic Center - Locker & Training Room Renovations | \$1,900,000 | \$1,305,564 |
| 14 | Research Laboratory Improvements | \$11,865,800 | \$10,781,875 |
| 16 | Charlton College of Business, Phase II | \$15,000,000 | \$15,000,000 |
| 17 | Replace Failed HVAC Systems | \$3,500,000 | \$3,500,000 |
| 20 | ADA Renovations Immediate Needs | \$2,184,000 | \$750,000 |
| 24 | Landscape/Lighting Improvements | \$1,832,000 | \$832,000 |
| 25 | Ring Road Replacement Study | \$500,000 | \$500,000 |
| Dartmouth Campus Subtotal | | \$351,981,800 | \$220,725,893 |

Lowell Campus Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|-------------------------------|---|------------------------------|----------------------|
| 1 | ETC Bldg. (incl. 3rd & 4th floors) | \$81,500,000 | \$25,750,000 |
| 2 | Health & Social Sciences Bldg (HSSB) (South Campus Academic Bldg.) | \$41,000,000 | \$21,000,000 |
| 3 | University Suites (Alkon St.) Residence Hall | \$56,000,000 | \$56,000,000 |
| 4 | University Crossing - Student Life, Student Services & Admin Serv. | \$91,500,000 | \$91,500,000 |
| 5 | Fox Hall Dining Renovations | \$10,500,000 | \$6,000,000 |
| 6 | North Campus Garage | \$20,000,000 | \$10,000,000 |
| 7 | South Campus Garage | \$20,000,000 | \$20,000,000 |
| 8 | Pulchra/Tong School of Business Building | \$35,000,000 | \$35,000,000 |
| 9 | On-Going Academic Modernization incl. Relocations (Phase I: FY13-22) | \$30,000,000 | \$15,000,000 |
| 10 | Energy & Power Plant Improvements (incl. Performance Contract) | \$30,000,000 | \$24,000,000 |
| 11 | Science & Engineering Master Plan-Perry Hall (Engineering Bld.) Renewal | \$25,000,000 | \$25,000,000 |
| 12 | Science & Engineering Master Plan-Other Renovations | \$45,000,000 | \$26,100,000 |
| 13 | Leitch & Bourgeois Res Hall Renovations | \$25,000,000 | \$25,000,000 |
| 14 | South Campus Master Plan & Initial Space Revisions | \$20,000,000 | \$20,000,000 |
| 15 | Capital Renewal/Deferred Maintenance/Compliance (Phase I: FY13-22) | \$80,000,000 | \$40,000,000 |
| 16 | Property Acquisitions | \$10,000,000 | \$10,000,000 |
| 17 | Technology Infrastructure | \$15,000,000 | \$7,500,000 |
| 19 | Science & Engineering Master Plan-North Campus Quad Renew | \$31,500,000 | \$8,230,000 |
| 21 | Residential Hall Comprehensive Renewal Program (Phase I: FY13-22) | \$30,000,000 | \$15,000,000 |
| 22 | Wannalacht | \$7,100,000 | \$5,700,000 |
| 23 | Civic & Athletic Facilities | \$3,300,000 | \$2,500,000 |
| Lowell Campus Subtotal | | \$707,400,000 | \$489,280,000 |

Medical School Projects

| Priority | Project Name | Cost Estimate August 2012 | FY13-17 Spending |
|--------------------------------|--|------------------------------|----------------------|
| 1 | Power Plant Expansion | \$51,000,000 | \$5,000,000 |
| 2 | Albert Sherman Center | \$350,000,000 | \$100,000,000 |
| 3 | New NW Parking Garage | \$40,000,000 | \$20,000,000 |
| 4 | School 4th fl Lab to Office Renovations - Backfill Phase 1 Basic Science wing | \$2,000,000 | \$2,000,000 |
| 5 | School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2 | \$8,000,000 | \$8,000,000 |
| 6 | Enhance chilled water loop pump/control | \$3,000,000 | \$3,000,000 |
| 7 | School HVAC Upgrades/Replacements | \$38,500,000 | \$38,500,000 |
| 8 | Renovate and Expand BL3 Suite - 7th Fl | \$6,400,000 | \$6,400,000 |
| 16 | Parking Lot Maintenance - Main Campus | \$10,840,000 | \$10,840,000 |
| 24 | Network Infrastructure | \$10,000,000 | \$10,000,000 |
| 25 | Departmental equipment purchases | \$10,000,000 | \$10,000,000 |
| Medical School Subtotal | | \$529,740,000 | \$213,740,000 |

| | | |
|-------------------------|------------------------|------------------------|
| University Total | \$3,954,507,800 | \$2,914,558,893 |
|-------------------------|------------------------|------------------------|

And further,

To approve the following revised project cost estimates for previously approved capital projects identified in Appendix B of the University Capital Plan as described in Doc. T12-062:


| Campus | Project Name | Approved Total Project Cost | Revised Total Project Cost |
|------------------|--|-----------------------------|----------------------------|
| Amherst | New Substation and Electrical Upgrades | \$18,000,000 | \$40,000,000 |
| Amherst | Page Lab Renovations | \$8,000,000 | \$9,900,000 |
| Boston | Nantucket Field Station: Repairs Buildings and Septic System and Gouin Village Apartments | \$1,400,000 | \$2,000,000 |
| Boston | Master Plan Phase I: Utility Plant Upgrades | \$7,000,000 | \$11,000,000 |
| Boston | Master Plan Phase I: Construct +/- 1,100 Vehicle Parking Garage West including Public Safety Space | \$35,000,000 | \$45,000,000 |
| Dartmouth | New Academic Building | \$55,000,000 | \$75,000,000 |
| Dartmouth | Athletic Field Replacement & Track Renovation | \$818,000 | \$1,400,000 |
| Lowell | Leitch & Bourgeois Residence Hall Renovations | \$20,000,000 | \$25,000,000 |
| Medical | School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2 | \$4,200,000 | \$8,000,000 |
| Medical | School HVAC Upgrades/Replacements | \$30,000,000 | \$38,500,000 |
| Medical | Renovate and Expand III3 Suite - 7th Fl | \$5,500,000 | \$8,400,000 |
| Medical | North Road Pavement, Sidewalks and Lighting | \$800,000 | \$1,500,000 |
| Medical | Steam Chiller 2 Retrofits | \$500,000 | \$1,000,000 |
| University Total | | \$182,019,000 | \$264,700,000 |

And further,

With respect to any or all of the projects identified in the University Capital Plan as described in Doc. T12-062, to authorize 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 listed in Doc. T12-062 by more than 20% (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 or leases or subleases) 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, including without limitation St. 1960, c. 773, § 19A, as amended, and St. 1992, c. 138, § 15A, as inserted by St. 2000, c. 159, § 303.

I further certify that said vote is in full force and effect as of the date hereof and that Robert L. Caret is President of the University of Massachusetts with its University Administration Office located at 225 Franklin Street, Boston, County of Suffolk in the Commonwealth of Massachusetts.

Date: February 14, 2013



Zunika Barrett, Interim Secretary to
the Board of Trustees

**EXTRACT FROM THE RECORDS OF
UNIVERSITY OF MASSACHUSETTS**


I, Zunilka Barrett, Interim Secretary to the Board of Trustees of the University of Massachusetts, do hereby certify that the following is a true and complete copy of a vote duly adopted by the Board of Trustees of the University of Massachusetts at a meeting duly called and held on the twelfth day of December, two-thousand and twelve, at the Mullins Center, Massachusetts Room, 200 Commonwealth Avenue, University of Massachusetts, Amherst, Massachusetts.

VOTED: Pursuant to Trustee Policy Doc. T93-122, to approve the following Medical School Capital Project to be initiated in the FY13-14 time period:

| <u>Project Name</u> | <u>Total Project Cost Estimate</u> <u>November, 2012</u> |
|--|---|
| Vaccine Manufacturing Operations Relocation | \$6,400,000 |

I further certify that said vote is in full force and effect as of the date hereof and that Robert L. Caret is President of the University of Massachusetts with its University Administration Office located at 225 Franklin Street, Boston, County of Suffolk in the Commonwealth of Massachusetts.

Date: February 14, 2013



Zunilka Barrett, Interim Secretary to
the Board of Trustees

UNIVERSITY OF MASSACHUSETTS BOARD OF TRUSTEES

COMMITTEE: Administration and Finance

ACTION ITEM #4: Approval of Capital Projects

DATE: February 6, 2013

DOC. & VOTE I.D. #:

FOR VOTE: To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, to approve the following capital projects at the Boston and Dartmouth campuses to be initiated in the FY13-14 time period:

| <u>Project Name</u> | <u>Total Project Cost Estimate January 2013</u> |
|--|---|
| Boston Campus – Relocate Campus Data Center to Service and Supply Building | \$ 1,300,000 |
| Dartmouth Campus – Classroom, Teaching Laboratories and Learning Space Improvements | \$11,440,000 |

And further,

Pursuant to Trustee Policy T93-122, to approve the revised estimated total project cost of the following capital project at the Boston Campus to be initiated in the FY13-14 time period:

| <u>Project Name</u> | <u>Total Project Cost Estimate January 2013</u> |
|--|---|
| Boston Campus – Project BI.02.03 Healey Building: Roof replacement And Building Envelope repairs | \$ 5,000,000 |

BACKGROUND STATEMENT

Approval of New Capital Projects and Revision of Project Cost

New Project: Boston – Relocation of Campus Data Center to Service and Supply Building

The existing campus data center is located in the Science Center, which is scheduled for demolition. In order to support the campus data needs and align with the utility configuration that will be in place once the Utility Corridor and Roadway Relocation (UCRR) is complete, the campus needs to move the data center to the Service and Supply Building. This project was always part of the Campus's capital planning process, but it was held off of the September 2012 Capital Plan while the optimal scale of the new data center was being evaluated. The network design and the subsequent architecture as a result of their UCRR project are state of the art. The campus will need approximately 300 s.f. of data room space just to accommodate the network infrastructure from that project. The project scope includes data room space, an utilities/environmental room, office space, and a secure storage room.

New Project: Dartmouth– Classrooms, Teaching Laboratories, and Learning Space Improvements

The timeline on this project, Priority #5 on the Dartmouth section of the University Capital Plan Update presented to the Board in September 2012, has been moved forward with the expectation that work will now begin in late FY13 or early FY14. Most classrooms, labs, studios, and other common areas used by students are located in buildings that are thirty or more years old. Normal wear and tear has taken its toll on our older buildings. Finishes have deteriorated; original steel mesh window curtains have been damaged and removed; fixed seating and tables are damaged beyond repair. Teaching pedagogy has changed from the lecture formats of old to more modern group discussion and team-oriented methods of today and this change lessens the functionality of most of our tiered lecture hall environments. Computers and sophisticated audio-visual equipment are now required for the typical classroom. This project will convert some of the existing Chemistry and Biology teaching labs to accommodate larger class sizes while upgrading health and safety features and finishes. For classrooms and studios, renovation work will involve replacing fixed seating and refinishing fixed tables, filling in tiered classrooms with light-weight concrete fill to create flat classrooms, installing teaching technology, reflooring, installing new window treatments and storm windows, repairing masonry walls or repainting, installing new ceiling grids and lighting in some areas, installing clocks and white boards and pull-down projection screens. Common area corridor upgrades include locker removals, repair of masonry and clerestory windows, replacing smoke doors, installation of improved lighting, replacement of tectum ceiling tiles, and reflooring with linoleum or carpeting. Common area atria upgrades include reupholstering concrete seating areas, installation of new flooring and lighting and audio-visual equipment for presentations, installation of new window treatments, installation of new furniture and small cafe-style dining centers in selected areas.

Revised Project Cost: Boston – Healey Building Roof Replacement and Building Envelope Repairs

The estimated total project for this project has increased by \$3.2 million from \$1.8 million to \$5 million. The continued study and corresponding design work related to water intrusion issues at the Healey Library indicated the need to increase the scope of work related to building envelope repairs, specifically the removal of courses of brickwork and capstones in order to provide waterproofing to the CMU walls of the building that had not been waterproofed during original construction. Also, rotted metal frames around rooftop penthouse spaces doors and other penetrations were also found to be a significant contributor to the water intrusion issues and were not accounted for in the "roof replacement" thinking. In addition, the new scope of work includes all roof surfaces, including the main 11th floor roof, the roofs on the mechanical penthouses and the terraces and skylights at the 10th floor. These areas were added as they have reached the end of their useful life and the investigation of the 1999 roof installation indicated that the roofs installed on that date were rated only to 54 MPH. The roof blow-off during Superstorm Sandy on October 29, 2012 had winds recorded at 63 MPH. Given the ages of these terrace roofs, the frequency of high wind gusts on campus and the disruption caused by catastrophic, storm-related, roof failure to University operations, UMass Boston would prefer to replace all roof areas at Healey Library under one project and have all other sources of water intrusion around the roof corrected as part of this project.

Attachment 2 - Written requests dated January 31, 2013 and February 13, 2013 from University Senior Vice President Wilda to the Authority relating to project activity



University of Massachusetts

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Christine Wilda
Senior Vice President for Administration and Finance & Treasurer

January 31, 2013

Katherine Craven, Executive Director
University of Massachusetts Building Authority
225 Franklin Street, 12th Floor
Boston, MA 02110

Dear Katherine:

Pursuant to affirmative votes of the University of Massachusetts Board of Trustees on September 19, 2012 (T12-062 and T12-063) permitting authorized officers in the name and on behalf of the Trustees to make a written request of the Building Authority that the Building Authority finance and undertake any of the projects identified in Appendix A of the University's FY13-17 Capital Plan, this letter represents the written request that the Authority move forward on project and financing activity at the Amherst, Boston, Dartmouth, Lowell and Worcester campuses of the University. For clarity purposes, the request is segmented below by campus.

Amherst Campus:

- \$40 million for the construction of a campus electrical substation and related electrical improvements such that the campus will not be dependent on the inadequate supply provided by the local utility company.
- \$40 million for the expansion of the Isenberg School of Management. Please note that a significant percentage of this project will be supported by fundraising, so please factor the tax implications into the financing accordingly.
- \$33.85 million of funding for deferred maintenance activity
 - \$14 million for the Whitmore Administration Building
 - \$6 million for repairs to the Marston Building
 - \$4.5 million for the removal of hazardous materials from the Lederle Research Center
 - \$2.25 million directed to HVAC and fire alarm repairs in the Thompson Building
 - \$2 million for the replacement of transformers
 - \$1.5 million for environmental remediation on Lot 12
 - \$1 million for decommissioning of the coal yard
 - \$1 million for repairing water tanks
 - \$600k for exterior repairs to the Hadley Farm House
 - \$500k for power supply improvements and \$500k to study relocation of chemical storage

- \$18 million to fund the renovation of space to be backfilled when current occupants move into the Life Sciences Laboratories.
- \$14 million to be used for renovations associated with new faculty hires.
- \$6.7 million of additional funding for the Honors College Residence Project along with \$1.4 million for accessibility improvements on nearby pathways (Please note that the accessibility improvements might be funded through DCAM but a resolution is still pending), \$3.5 million of additional funding for the fit-out of the Life Sciences Laboratories Project currently being managed by DCAM, an additional \$8.25 million for the completion of the DCAM- managed Academic Classroom Building, \$5.5 million of additional funding for the McGuirk Improvements Project, and \$3.5 million of additional funding to support the desired programming for the Champions Center Project.
- The Fine Arts Center Renovation Project is targeting \$9 million towards deferred maintenance and code compliance.
- The Utility Infrastructure Improvement Project for \$7.6 million is an investment focused on electrical upgrades in the southern part of the Campus to boost distribution, redundancy, and capacity.
- The Campus is requesting that an additional \$3.9 million be financed for the Paige Lab Renovations Project in order to further reduce the level of deferred maintenance in the facility.
- \$2.5 million of roof and masonry work on the Cashin House to be financed through existing bond proceeds.

Boston Campus:

- Leading up to the development of the University's FY13-17 Capital Plan, we have had numerous meetings focused on the scheduling and phasing of the required capital investments on the Boston Campus.
 - During this time period, I requested that the Building Authority undertake six projects all of which continue to be a priority:
 1. \$2.5 million to construct a new Greenhouse
 2. \$2 million for replacement of the curtain wall for the Clark Athletic Center
 3. \$1.8 million for roof and building envelope repairs to the Healey Library.
 4. \$1.75 million for roof and envelope repairs to the Service & Supply Building
 5. \$1.4 million for building repairs at the Nantucket Field Station
 6. \$1 million to relocate the Machine Shop currently located in the Science Center
 - The Campus originally requested that \$3 million be dedicated to moving the data center out of the Science Center due to the scheduled demolition of the facility. A consultant was hired by the University's IT Steering Committee to determine the level of investment needed on the Boston Campus in light of the University-wide integrated data center strategy. A determination has been made that the data center investment needed on the Boston Campus should be approximately \$1.3 million, which will be accomplished through renovations to space within the Service & Supply Building. Due to the fact that this project

was under review, it was not included on the Capital Plan approved by the Board of Trustees in September. We anticipate that the Board will approve the project at the reduced level in the February Board cycle (A&F Committee vote on February 6th and full Board vote on February 27th.) I will notify you in writing if this project is not approved by the Board of Trustees.

- The Boston Campus has submitted a new request with a substantial list of projects to be initiated through the Building Authority in the FY13-14 planning period. These projects range from investments in basic infrastructure for improved utility functioning to more strategic investments to add parking capacity and residential space.
 - The Campus is exploring the addition of a student residential program. The preliminary concept calls for establishing 1,000 beds on-site and the Campus has requested that \$100 million be dedicated to pursue this goal. Before endorsing this full project, my preference is to engage the Building Authority to join the Campus in evaluating the potential options. To accomplish this, please allocate up to \$2 million to conduct a feasibility study that will include the evaluation of scale, cost, demand, location, and financing alternatives.
 - \$71.9 million of additional funding for the ongoing Utility Corridor and Roadway Relocation Project and the related Utility Plant upgrades. This additional funding was originally conceived as a phase 2 program, but project developments make it clear that all related project components should be completed simultaneously.
 - \$45 million for the construction of a parking garage with approximately 1,200 spaces as well as space for the Public Safety Department.
 - \$37.5 million to fund phase 1 of the estimated \$75 million of renovations to existing campus buildings in an effort to modernize academic, office, and research space.
 - The Campus is requesting support of the Building Authority for construction of a new \$27.5 million Trigenation Utility Facility. Given the criticality of this project to meeting the campus's future water and electrical needs, please commence activity on this project in order to verify the required scope and investment.
 - The Campus has requested the use of existing bond proceeds to support the approximate \$6 million cost of demolishing the Bayside facility and to complete initial improvements on the property to permit the separation of utilities and to expand parking capacity.
 - \$5 million to convert garage space in close proximity to the Campus Center into assignable space.
 - \$4 million to replace waterproofing systems surrounding the Healey Library.
 - \$3.5 million to replace the roof and repair the building envelope of McCormack Hall.
 - \$2.8 million to construct a track and athletic field in a new location.
 - \$2.5 million for repairs to the Clark Athletic Center including façade and gymnasium repairs and a chiller unit replacement.

- \$1.5 million to convert former cafeteria space in McCormack Hall into program space for the College of Nursing and Health Sciences.
- \$1.5 million for mechanical upgrades to the Saltwater Pump House.
- \$1 million to conduct a study focused on the replacement of the enclosed campus walkway system.

Dartmouth Campus:

- In order to finance the Marine Sciences Facility in New Bedford that you have been working in coordination with DCAM on, the Campus requires \$25 million of funding. The Campus originally borrowed this same funding in FY11, but the proceeds were allocated to another campus when the Marine Sciences project did not proceed as anticipated.
- The Campus is moving forward expeditiously on an expansion of the Charlton College of Business. They would like the Building Authority to quickly engage on this project in order to maximize the fundraising interest currently present on this expansion. While the University's Capital Plan identifies this as a \$15 million project, I would ask that the Building Authority work closely with the Campus to identify the most appropriate scope for this expansion given the demand for Management programs and the significant percentage of the project that can be supported by gifts.
- The Accelerator for Biomanufacturing Project in Fall River has received an additional \$6 million commitment from the Life Sciences Center to build out the facility in a manner that will be most responsive to the needs of industry. However, this funding will not be released until FY15 which is beyond the cash flow requirements of the project. The Campus has requested the Building Authority to finance an additional \$8.5 million for this project of which \$6 million should be structured as a bridge loan until the Life Sciences funding is available.
- The Dartmouth Campus is looking for the Building Authority to take the lead on a multi-year program focused on Classroom, Teaching Laboratory, and Learning Space Improvements. The Campus anticipates investing \$10.4 million over the next few years. Chancellor Grossman has moved up the desired timeline on these types of investments such that it makes sense to finance some of this scheduled activity in the next borrowing.

Lowell Campus:

- As you are aware, the projected total cost of the renovation and reconstruction of the former Saint Joseph's Hospital property in Lowell is projected to range from \$90-95 million. While the project has been carried to date through a partial financing completed in FY11, bond proceeds of up to \$95 million are required in order to create the University Crossing complex focused on student services.
- The Lowell Campus has requested \$40 million to fund a multi-year repair program focused on academic modernization, capital renewal, and deferred maintenance.
- The South Campus Garage has entered its construction phase and the Campus requires \$20 million of financing to move this project to completion.

January 31, 2013

Page | 5

- The Campus has requested the Building Authority to commence work on renovating the Leitch and Bourgeois residence halls. Initial projections indicate these renovations will total \$25 million, although the Campus has only requested the Building Authority to finance \$20 million.
- It has been requested that the Building Authority manage the renovation of the Dining Facilities on the South Campus as part of the larger \$20 million project identified as the South Campus Master Plan & Initial Space Revisions.
- The Campus continues to analyze potential property acquisitions in neighborhoods in close proximity to existing University facilities. In order to support this strategic program, the Campus has requested another \$5 million of funding in order to move rapidly when opportunities arise.

Medical School Campus:

It looks increasingly likely that the Medical School will have excess funding available from the FY10 bond issuance. Vice Chancellor Jenal has requested that a portion of this funding be reallocated to several projects:

- \$4 million for renovating the 3rd and 4th floors of the Basic Wing of the Medical School as well as \$1.2 million for building out the BLS3 Suite in the Medical School. Both of these projects can be viewed as backfill renovations due to the completion of the Sherman Center project.
- Approximately \$3 million to help support the relocation of MassBiologics laboratories currently housed in Jamaica Plain to Mattapan.
- \$1.2 million for a chiller replacement project.

Thank you in advance for your assistance in these matters. If you need additional information on any portion of this request, please do not hesitate to contact me.

Sincerely,



Christine Wilda

Senior Vice President for Administration and Finance & Treasurer

cc: Patricia Filippone, Matt Gorzkowicz



University of Massachusetts

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Christine Wilda
Senior Vice President for Administration and Finance & Treasurer

February 13, 2013

Katherine Craven, Executive Director
University of Massachusetts Building Authority
225 Franklin Street, 12th Floor
Boston, MA 02110

Dear Katherine:

Pursuant to affirmative votes of the University of Massachusetts Board of Trustees on September 19, 2012 (T12-062 and T12-063) permitting authorized officers in the name and on behalf of the Trustees to make a written request of the Building Authority that the Building Authority finance and undertake any of the projects identified in Appendix A of the University's FY13-17 Capital Plan, I am writing to you to amend the request letter I sent on January 31st.

- At the February 6th Administration & Finance Committee of the University Board, the Trustees voted to approve the increased scope of the Boston Campus's Healey Building Roof Replacement and Building Envelope Repairs Project. Study and Design work related to water intrusion issues at the Healey Library indicated the need to increase the scope of work related to building envelope repairs, specifically the removal of courses of brickwork and capstones in order to provide waterproofing to the walls of the building that had not been waterproofed during original construction. Rotted metal frames around rooftop penthouse space doors and other penetrations were also found to be a significant contributor to the water intrusion issues and were not accounted for in original concept. The new scope of work includes all roof surfaces, including the main 11th floor roof, the roofs on the mechanical penthouses and the terraces and skylights at the 10th floor. The estimated total cost for this project is now \$5 million.
- I am also requesting that the Building Authority undertake a \$2.3 million project at the Boston Campus to install fire suppression systems and to upgrade the alarm systems in the Service and Supply Building.

It is important to note that two projects that were part of my January 31st letter, the Boston Campus Data Center Relocation Project and the Dartmouth Campus Classroom, Teaching Laboratories, and Learning Space Improvements Project, were approved by the Administration & Finance Committee on February 6th as well.

Sincerely,

Christine Wilda
Senior Vice President for Administration and Finance & Treasurer

cc: Patricia Filippone, Matt Gorzkowicz

Attachment 3- University FY2013 operating budget vote



UNIVERSITY OF MASSACHUSETTS
Amherst • Boston • Dartmouth • Lowell • Worcester



Fiscal Year 2013 Operating Budget



OPERATING BUDGET

for Fiscal Year 2013

SUMMARY & FINANCIAL OVERVIEW



**University of Massachusetts
Executive Summary**

**Operating Budget
Fiscal Year 2013**

INTRODUCTION

This executive summary highlights the overall revenue and expense activity for the University based on operating budget statements formatted consistent with the standard Combined Statements of Revenues and Expenses contained in the University's annual audited financial statements. FY 2010 and FY 2011 actual data are provided from the audited statements and are compared to projected figures for the current fiscal year (FY 2012) and estimates proposed for the fiscal year beginning July 1, 2012 (FY 2013).

The Operating Budget provides the University with a general plan for the year by outlining University priorities, resources and the planned use of funds. The document shows "the bottom line" as well as provides high-level summary and trend information about employee counts. This summary describes general budget trends and important issues for FY 2013. The University Summary tables present aggregated revenues, expenditures, and personnel data for the five campuses and the University System Office. Also included are undergraduate and graduate enrollment trend data.

There are a number of issues of University-wide importance that directly impact the FY 2013 Operating Budget. The overall economic health of the Commonwealth, the level of state support, the impact of collectively bargained wage increases, enrollment and fee revenue growth, and the growth in designated and restricted funds determine the limits of program expansion, new initiatives and strategic investments, as well as the ability of the University to meet its core mission and ongoing operational needs.

In general the following key factors serve as the foundation to budget planning and influence the development of the Operating Budget each year:

- State support
- Student charges
- Enrollment changes
- Debt Service in support of University's capital investment program
- Compensation increases/collective bargaining
- Inflation and energy costs
- Non-operating revenues generated from grant, contract and auxiliary activities.

The campuses' budgets are prepared based on parameters established by the President's Office and are shaped by individual campus priorities and plans. Campus budget plans are a reflection of each campus' unique identity and priorities, but they also have basic similarities and evidence common themes: balancing current needs with long-term goals; reallocation and restructuring as tools to meet those objectives; the importance of strengthening fundraising capacity and increasing endowment; working to achieve long-term financial stability as measured by the financial indicators; and efficiency & effectiveness efforts to deal with the pressure on campus budgets. The most pressing challenges to the University's budget include: unpredictable state funding, supporting the aggressive capital investment program, as well as increased depreciation and maintenance costs; handling increased demand, hiring new faculty, and expanding student life programs; increasing student financial aid; and investing in new technology.

FY 2013 University Operating Budget – T12-037

The University continues to report the Operating Budget in a modified accrual-based budget report format. This reporting format reflects the “view” of information that the Board of Trustees has requested and it is consistent with the audited financial statement format and the annual financial indicator reporting model. The Operating Budget presented in this format in an effort to streamline the budget process by coordinating the collection and analysis of the Operating Budget with the Financial Indicators Report and review of campus Fee and Revenue Operations Budgets. This coordination has promoted consistency in the assumptions and projections that support the figures presented in each of the reports.

While the modified accrual-based format is an effective way to track the long-term fiscal health of the institution, it has some limitations. The campuses have made significant and critical investments in physical plant in the last several years, but since these investments result increased capital assets, the expenditures are not immediately evident. The result is an operating margin that overstates a surplus.

FY 2013 OPERATING BUDGET SUMMARY

The total University budget projects an increase in both revenues and expenditures in fiscal year 2013 from the current fiscal year (FY 2012). With overall revenues expected to growth at rate 1.6% slower than expenditures, pressure will be illustrated on the University’s operating margin and felt on the campuses. Despite this financial hurdle, it is important to point out demand for University continues to be strong and the system has managed to maintain a solid financial position despite the static economic situation facing the Commonwealth and the nation. A slight positive operating margin of 0.4% is projected for fiscal year 2013 on revenues of \$2.89 billion and expenditures of \$2.88 billion.

| Total Budgeted University Revenues & Expenditures | | | | | | | |
|--|-----------|-----------|-----------|--------------|------|--------------|-------|
| (\$ Shown in Millions) | Actual | Projected | Budgeted | FY 12 - 13 | | FY 11 - 13 | |
| | FY 2011 | FY 2012 | FY 2013 | 1-yr. change | | 2-yr. change | |
| Revenues* | \$2,893.1 | \$2,773.1 | \$2,890.7 | \$117.6 | 4.2% | (\$2.4) | -0.1% |
| Expenditures** | \$2,852.9 | \$2,718.5 | \$2,884.2 | \$165.7 | 6.1% | \$31.3 | 1.1% |
| Operating Surplus / (Deficit) | \$40.2 | \$54.7 | \$6.5 | | | | |
| Operating Margin | 1.4% | 2.0% | 0.2% | | | | |

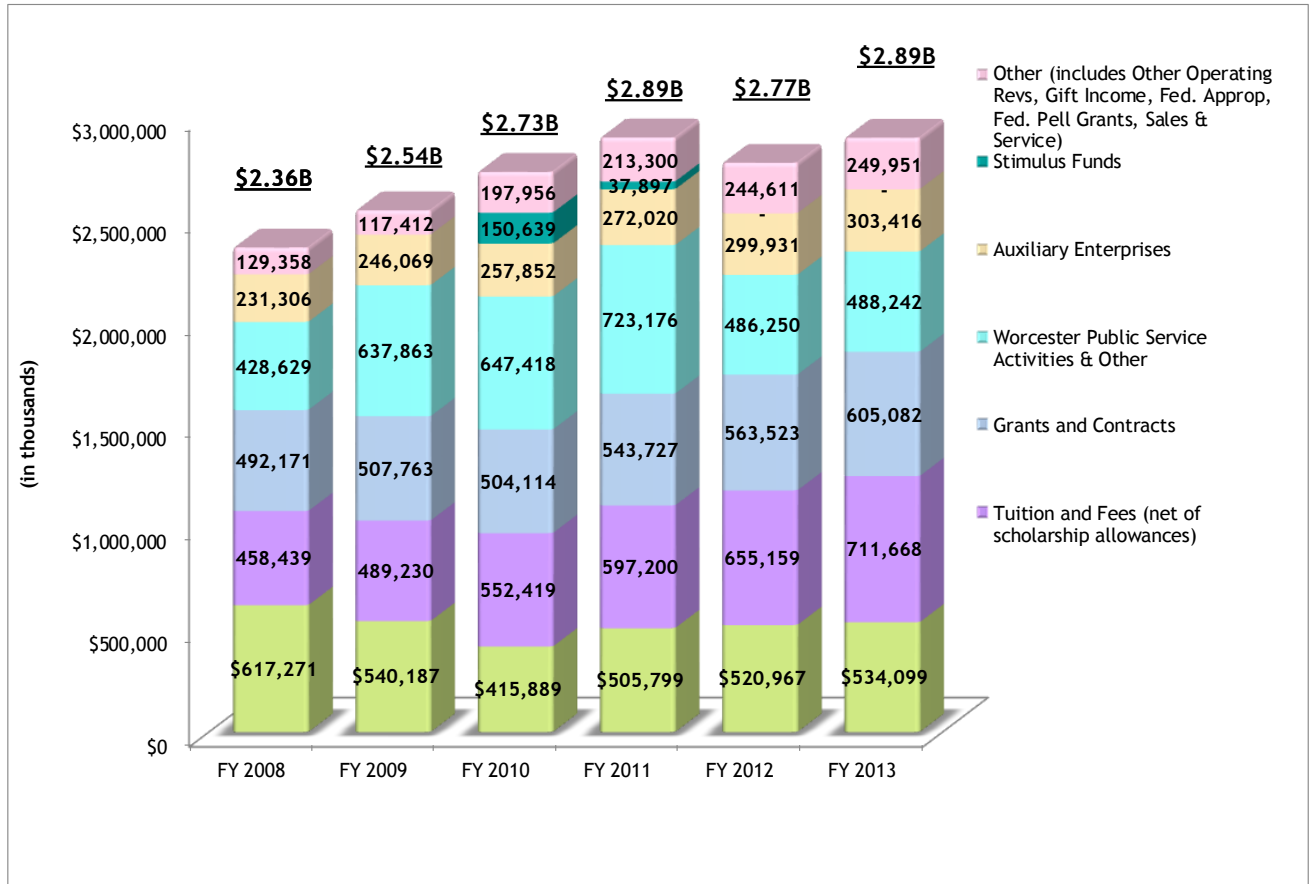
*Revenues include: Total Operating Revenues, State and Federal Appropriations, Gifts, and Investment and Endowment Income.

**Expenditures include: Total Operating Expenditures and Interest on Indebtedness.

The following sections provide additional information regarding the major sources of the University’s revenues and expenditures, as well as the changes in full-time equivalent employee figures. Additionally, this is the third year that the report includes a table showing operating expenditures by the so-called natural classification categories (salaries and wages, financial aid, supplies and services, etc.) and a table detailing campus enrollment data.

Revenues

Total FY 2013 revenues are budgeted at \$2.89 billion, a 4.2% increase from the FY 2012 estimate of \$2.77 billion. The following graph displays revenues sources in comparison to the total revenue picture for FY2013.



State appropriations are essentially expected to remain flat for FY2013. While the financial statement presentation of state appropriations displays an increase of approximately \$13 million, this is due to collective bargaining funding provided by the state which winds up as a direct pass-through to University employees. The reality is that the budgets put forth by the Governor and the Legislature to date maintain state funding at the same level as FY 2012 and FY 2011.

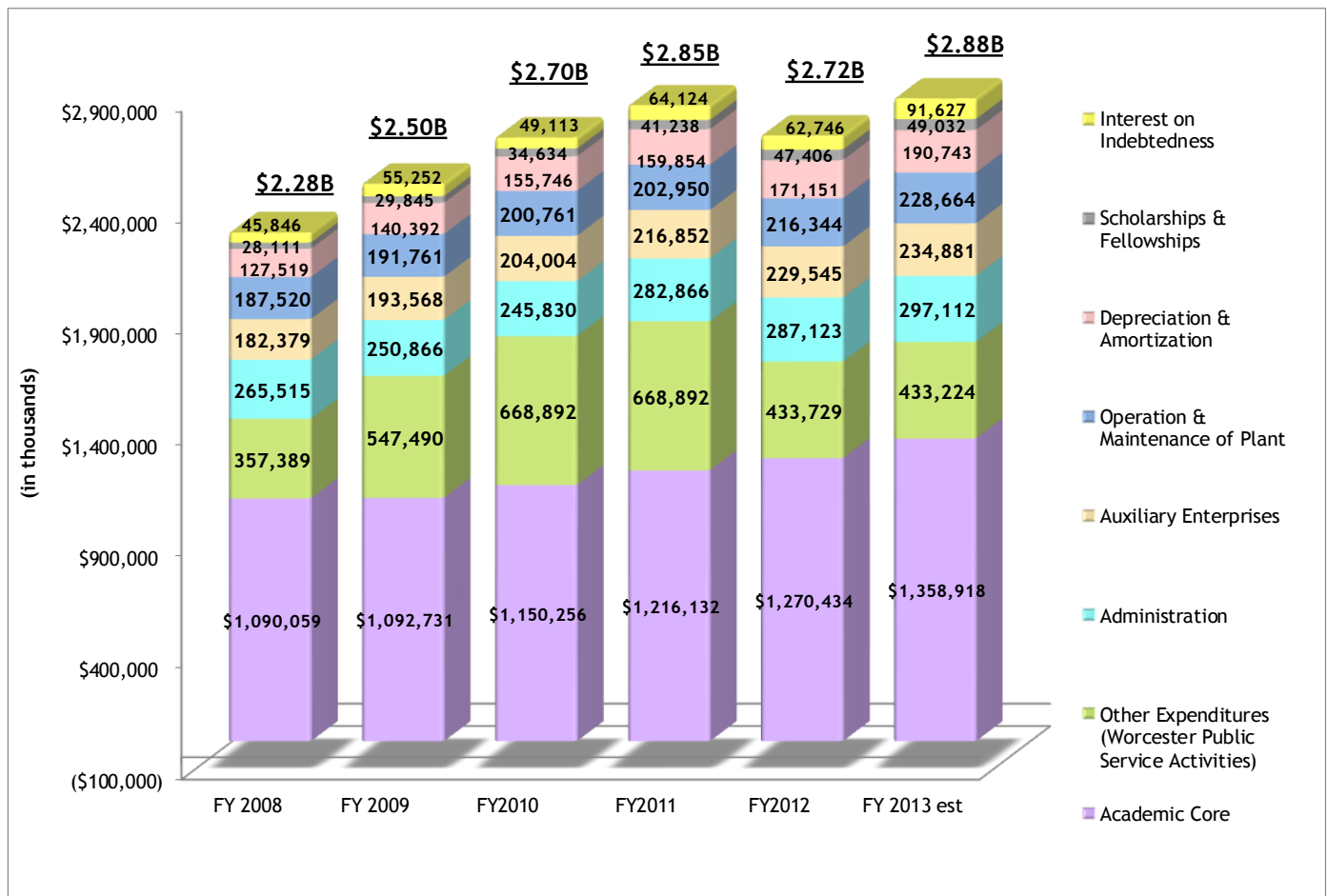
FY 2013 University Operating Budget – T12-037

Grant and contract revenues represent 20% of all revenues and are projected to increase 7.4% or \$41.6 million over FY 2012 to \$605 million.

Tuition and fee revenues are projected to account for 25% of University revenues and the amount of revenue is forecasted to increase by 7.9% for FY 2013. This is consistent with the 4.9% student charge increase votes of the Board of Trustees for FY 2013, estimated contributions to financial aid, and projected enrollment increases.

Expenditures

University expenditures fall into three main categories: Educational and General, Auxiliary Enterprises, and Other Expenditures, which represents the Medical School’s public service and independent operations activities which include the Commonwealth Medicine and Massachusetts Biologics Laboratory programs. The following graph displays FY 2013 spending by these categories.



Total University expenditures for FY 2013 are an estimated \$2.88 billion or \$165.7 million more than the current year’s projected year-end spending level. However, as with revenue estimates, the Medical School’s public service activities continue to represent a large portion of the University’s total spending.

The Educational and General budget (E&G) encompasses the major instructional and research activities of the University and related support services and include all non-auxiliary activities. The academic core detailed in the chart on the previous page accounts for 47% of total expenditures and includes spending on instruction, research, public service and academic support activities. Scholarships and fellowships (financial aid), plant operations and maintenance, administration and depreciation expenses represent the remaining categories within E&G.

The largest E&G increases in FY 2013 are projected for: Interest on Indebtedness (+31.5%), Depreciation & Amortization (+10.3%), and Academic Core (+6.5%).

Auxiliary Enterprises are self-supporting operations critical to University operations, yet independent of the general education mission. This category accounts for 8% of total spending and includes: dining and residence halls, parking facilities, and student health services. Auxiliary expenditures are projected to increase by 2.3% over the current year.

Employee Trends

The total projected increase in state-funded faculty for FY 2013 is approximately 35 individuals. The number of state-funded full-time equivalent (FTE) employees at the University is projected to increase by 65 between FY 2012 and FY 2013. The total number of non-state-funded FTE employees is projected to decrease by 107.

FY 2013 AND BEYOND

The campus budget reports that follow this executive summary provide detail on campus goals and priorities for the coming year as well as areas where additional resources are being dedicated. All campuses are dedicating increased resources to need-based financial aid, construction and renovation of buildings, increased debt service, fundraising, new faculty hires in key areas, information technology, and student services to support retention efforts and the general well-being of the student experience. All campuses are facing increases in the costs of salaries and associated fringe benefits for non-state funded personnel and are also dedicating funds to campus safety and clean energy initiatives.

The University continues to look for ways to further improve its financial condition and performance and to diversify its non-state revenue sources. The University faces continued pressure on University resources to maintain and improve its core mission activities while addressing its important capital needs and investing in the research enterprise. There are, however, a number of new initiatives in the life sciences and new strategic planning activities across all campuses that show exciting promise for the future.

As part of this Executive Summary, **Tables 1 and 1A** provide additional detail on the FY 2013 Operating Budget as well as information for FY 2009 - 2012. **Table 2** categorizes the University's FY 2009 - 2013 operating expenditures by type of expense (natural classification). **Table 3** summarizes the change in full-time equivalent (FTE) employees projected through FY 2013. **Table 4** summarizes total undergraduate and graduate enrollment for the University.

Following the Executive Summary are full FY 2013 Operating Budget Reports for each campus, the University System Office, the Donahue Institute, and University Information Technology Services. These reports include:

Table 1: FY 2010 – 2013 est. Statement of Revenues and Expenditures

Table 2: FY 2010 – 2013 est. Spending by Type of Expense (Natural Classification)

Table 3: FY 2010 – 2013 est. Summary of Full-Time Equivalent Employees

Table 4: FY 2010 – 2013 est. Headcount and FTE enrollment

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Fiscal Year 2013 Operating Budget Statement
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Fiscal Years 2009 to 2013 (budgeted)
(in thousands of dollars)

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2012 - FY 2013 | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|-------------|
| | Actuals | Actuals | Actuals | Projected | Budgeted | | |
| | University | University | University | University | University | | |
| | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | 1-year change | |
| REVENUES | | | | | | | |
| Operating Revenues | | | | | | | |
| Tuition and Fees (net of scholarship allowances) | \$ 489,230 | \$ 552,419 | \$ 597,200 | \$ 655,159 | \$ 705,545 | \$ 50,386 | 8% |
| Federal Grants and Contracts | 324,100 | 333,538 | 371,426 | 401,271 | 431,857 | 30,586 | 8% |
| State Grants and Contracts | 77,115 | 64,328 | 62,597 | 65,429 | 66,328 | 899 | 1% |
| Local Grants and Contracts | 2,149 | 1,880 | 1,937 | 2,679 | 2,907 | 227 | 8% |
| Private Grants and Contracts | 104,399 | 104,368 | 107,767 | 94,143 | 103,989 | 9,846 | 10% |
| Sales & Service, Educational | 20,965 | 17,530 | 18,011 | 22,708 | 22,917 | 209 | 1% |
| Auxiliary Enterprises | 246,069 | 257,852 | 272,020 | 299,931 | 303,416 | 3,485 | 1% |
| Other Operating Revenues: | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | |
| Sales & Service, Independent Operations | 94,908 | 50,442 | 52,619 | 51,439 | 45,994 | (5,445) | -11% |
| Sales & Service, Public Service Activities | 542,955 | 596,976 | 670,557 | 434,811 | 442,248 | 7,437 | 2% |
| Other | 66,920 | 74,455 | 74,979 | 100,675 | 93,274 | (7,401) | -7% |
| Total Operating Revenues | \$ 1,968,810 | \$ 2,053,788 | \$ 2,229,113 | \$ 2,128,245 | \$ 2,218,475 | \$ 90,230 | 4% |
| EXPENSES | | | | | | | |
| Operating Expenses | | | | | | | |
| Educational and General | | | | | | | |
| Instruction | \$ 540,479 | \$ 555,833 | \$ 596,341 | \$ 634,017 | \$ 669,466 | \$ 35,449 | 6% |
| Research | 358,659 | 403,217 | 419,990 | 421,545 | 461,806 | 40,261 | 10% |
| Public Service | 67,989 | 67,080 | 66,548 | 71,837 | 80,011 | 8,174 | 11% |
| Academic Support | 125,604 | 124,126 | 133,253 | 143,034 | 147,634 | 4,600 | 3% |
| Student Services | 87,207 | 88,985 | 98,361 | 102,737 | 104,827 | 2,090 | 2% |
| Institutional Support | 163,659 | 156,845 | 184,505 | 184,386 | 192,285 | 7,899 | 4% |
| Operation and Maintenance of Plant | 191,761 | 200,761 | 202,950 | 216,344 | 228,664 | 12,321 | 6% |
| Depreciation and Amortization | 140,392 | 155,746 | 159,854 | 171,151 | 190,743 | 19,592 | 11% |
| Scholarships and Fellowships | 29,845 | 34,634 | 41,238 | 47,406 | 49,032 | 1,626 | 3% |
| Auxiliary Enterprises | 193,568 | 204,004 | 216,852 | 229,545 | 234,881 | 5,336 | 2% |
| Other Expenditures | - | - | - | - | - | - | - |
| Independent Operations | 56,057 | 58,437 | 41,911 | 57,398 | 56,042 | (1,356) | -2% |
| Public Service Activities | 491,433 | 538,880 | 626,981 | 376,331 | 377,182 | 851 | 0% |
| Other | - | - | - | - | - | - | - |
| Total Operating Expenses | \$ 2,446,653 | \$ 2,588,548 | \$ 2,788,784 | \$ 2,655,732 | \$ 2,792,575 | \$ 136,843 | 5% |
| Operating Income/(Loss) | \$ (477,843) | \$ (534,760) | \$ (559,671) | \$ (527,487) | \$ (574,100) | \$ (46,613) | 9% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | | | |
| Federal Appropriations | \$ 5,574 | \$ 5,922 | \$ 5,826 | \$ 7,172 | \$ 7,395 | \$ 223 | 3% |
| NonOperating Federal Grants | - | - | - | 49,983 | 50,572 | 589 | 1% |
| State Appropriations | 540,187 | 415,889 | 505,799 | 520,967 | 534,099 | 13,132 | 3% |
| Gifts | 22,918 | 28,603 | 26,504 | 27,104 | 37,586 | 10,482 | 39% |
| Investment Return | (9,284) | 65,863 | 77,773 | 29,389 | 37,970 | 8,581 | 29% |
| Endowment Return | 10,319 | 5,583 | 10,207 | 11,867 | 13,125 | 1,258 | 11% |
| Interest on Indebtedness | (55,252) | (49,113) | (64,124) | (62,746) | (91,627) | (28,881) | 46% |
| Unrealized Gains | - | - | - | 700 | 750 | 50 | 7% |
| Interest Income | - | 60,324 | 70,643 | - | 2,364 | 2,364 | |
| Other Nonoperating Income | 8,167 | 3,868 | 5,225 | 3,398 | 1,190 | (2,208) | -65% |
| Revenue from Stimulus Funds | - | 150,639 | 37,897 | - | - | - | |
| Net Nonoperating Revenues | \$ 522,629 | \$ 687,578 | \$ 675,750 | \$ 587,834 | \$ 593,424 | \$ 5,589 | 1% |
| Income/(Loss) Before Other Revenues, Expenses, Gains, and Losses | \$ 44,786 | \$ 152,818 | \$ 116,079 | \$ 60,348 | \$ 19,324 | \$ (41,024) | -68% |
| Capital Appropriations | \$ 27,483 | \$ 28,635 | \$ 28,109 | \$ 161,918 | \$ 207,383 | \$ 45,465 | 28% |
| Capital Grants and Contracts | 5,182 | 18,981 | 30,354 | 12,823 | 12,669 | (154) | -1% |
| Capital - Stimulus Funds | - | - | - | - | 900 | 900 | |
| Additions to Permanent Endowments | - | - | - | - | - | - | |
| University Related Organization Transactions | - | 29,810 | 4,361 | 21 | - | (21) | |
| Disposal of Plant Facilities | (8,553) | (12,125) | (10,682) | (8,407) | (6,772) | 1,635 | -19% |
| Expended for Plant | - | - | 9,655 | - | - | - | |
| Other Additions/Deductions | 1,361 | 9,729 | (5,639) | (3,009) | (2,000) | 1,009 | -34% |
| Transfers | - | - | - | - | (1,072) | (1,072) | |
| Total Other Revenues, Expenses, Gains, and Losses | \$ 25,473 | \$ 75,030 | \$ 56,158 | \$ 163,345 | \$ 211,108 | \$ 47,763 | 29% |
| Total Increase/(Decrease) in Net Assets | \$ 70,259 | \$ 227,848 | \$ 172,237 | \$ 223,692 | \$ 230,432 | \$ 6,739 | 3% |
| NET ASSETS | | | | | | | |
| Net Assets at Beginning of Year | \$ 1,671,046 | \$ 1,741,305 | \$ 1,969,153 | \$ 2,141,393 | \$ 2,365,085 | \$ 223,692 | 10% |
| Net Assets at End of Year | \$ 1,741,305 | \$ 1,969,153 | \$ 2,141,390 | \$ 2,365,085 | \$ 2,595,517 | \$ 230,432 | 10% |

Table 3
University of Massachusetts
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$1,120,889 | \$1,164,874 | \$1,184,468 | \$1,239,406 | \$54,938 | 4.6% |
| Employee Fringe Benefits | \$253,587 | \$298,260 | \$308,288 | \$284,468 | (\$23,820) | -7.7% |
| Student Aid | \$73,339 | \$90,164 | \$101,557 | \$104,866 | \$3,308 | 3.3% |
| Utilities | \$94,097 | \$93,580 | \$94,037 | \$95,956 | \$1,919 | 2.0% |
| Supplies and Other Services | \$954,008 | \$1,047,648 | \$854,154 | \$887,530 | \$33,376 | 3.9% |
| Depreciation | \$154,777 | \$158,987 | \$170,844 | \$180,349 | \$9,505 | 5.6% |
| TOTAL | \$2,650,697 | \$2,853,513 | \$2,713,349 | \$2,792,575 | \$79,226 | 2.9% |



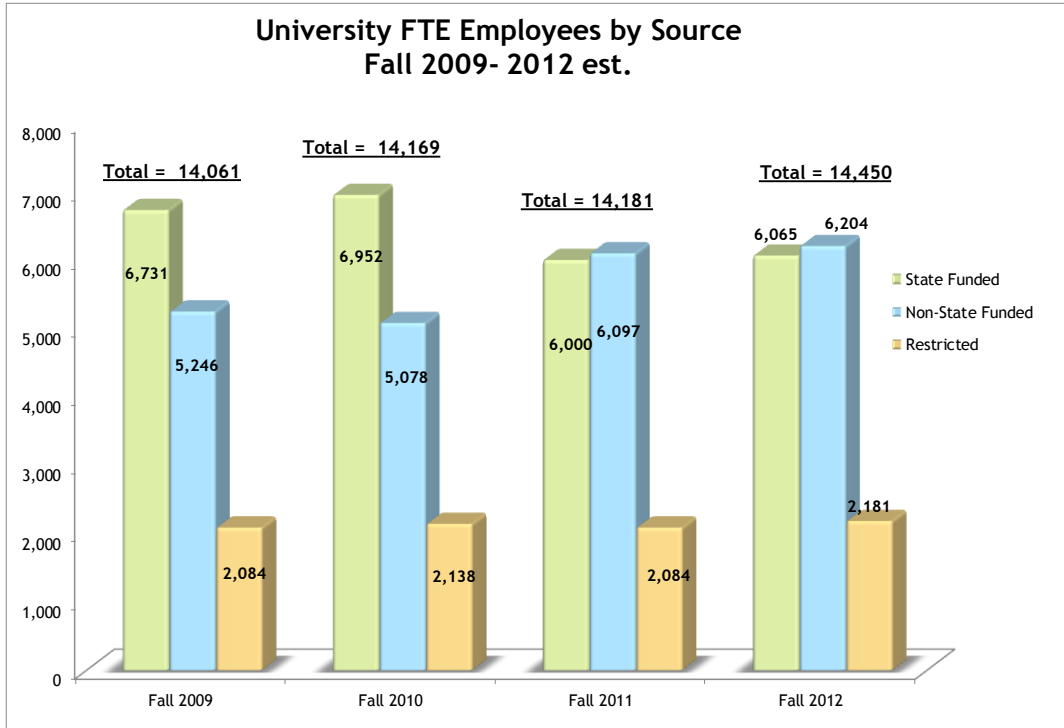
FY 2013 University Operating Budget – T12-037

Table 4
University of Massachusetts
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | |
| STATE FUNDED POSITIONS | | | | | |
| Faculty | 2,515.4 | 2,584.4 | 2,619.2 | 34.8 | 1.3% |
| Professional Staff | 2,417.8 | 2,397.1 | 2,418.4 | 21.3 | 0.9% |
| Classified Staff | 2,019.2 | 1,018.5 | 1,027.3 | 8.8 | 0.9% |
| Subtotal, State Funded | 6,952.4 | 5,999.9 | 6,064.8 | 64.9 | 1.1% |
| NON-STATE FUNDED POSITIONS | | | | | |
| Faculty | 743.8 | 755.8 | 822.3 | 66.5 | 8.8% |
| Professional Staff | 2,281.9 | 2,371.3 | 2,410.7 | 39.4 | 1.7% |
| Classified Staff | 2,052.7 | 2,970.1 | 2,971.2 | 1.2 | 0.0% |
| Subtotal, Non-State Funded | 5,078.4 | 6,097.2 | 6,204.3 | 107.1 | 1.8% |
| Total Unrestricted/Designated | 12,030.8 | 12,097.1 | 12,269.1 | 172.0 | 1.4% |
| RESTRICTED FUNDS | | | | | |
| GRANT FUNDED POSITIONS | | | | | |
| Faculty | 320.8 | 320.4 | 320.4 | (0.1) | 0.0% |
| Professional Staff | 1,487.3 | 1,444.0 | 1,522.8 | 78.8 | 5.5% |
| Classified Staff | 287.3 | 268.4 | 285.0 | 16.6 | 6.2% |
| Subtotal, Grant Funded | 2,095.5 | 2,032.8 | 2,128.2 | 95.4 | 4.7% |
| OTHER RESTRICTED POSITIONS | | | | | |
| Faculty | 9.5 | 9.8 | 9.4 | (0.4) | 0.0% |
| Professional Staff | 31.8 | 38.4 | 39.8 | 1.4 | 0.0% |
| Classified Staff | 1.3 | 3.3 | 3.8 | 0.5 | 0.0% |
| Subtotal, Other Restricted Funds | 42.6 | 51.5 | 53.0 | 1.5 | 0.0% |
| Total Restricted | 2,138.1 | 2,084.4 | 2,181.2 | 96.9 | 4.6% |
| TOTAL UNRESTRICTED AND RESTRICTED | 14,168.8 | 14,181.5 | 14,450.4 | 268.9 | 1.9% |

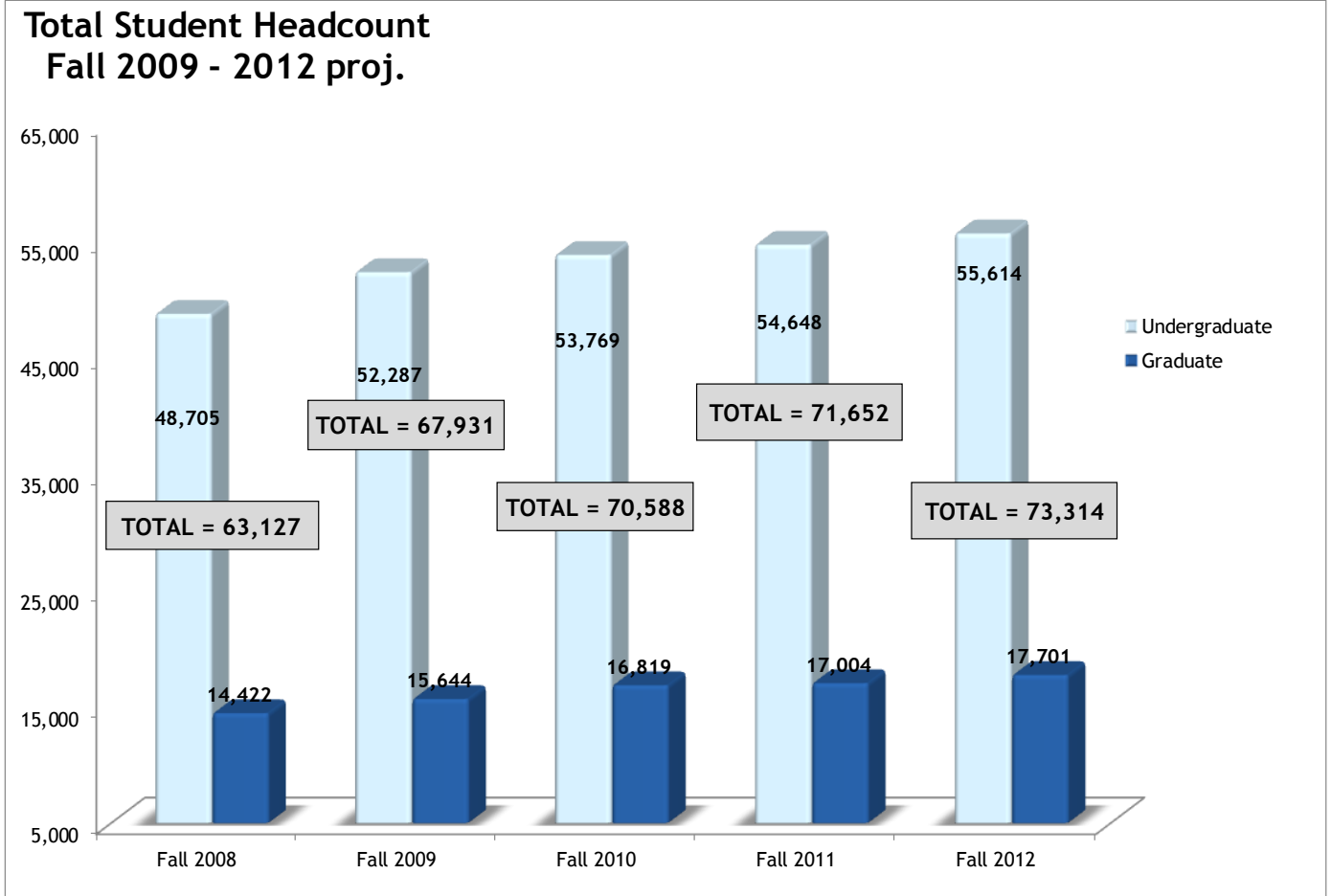
* Includes Full and Part-time employees; student and other hourly employees not included.

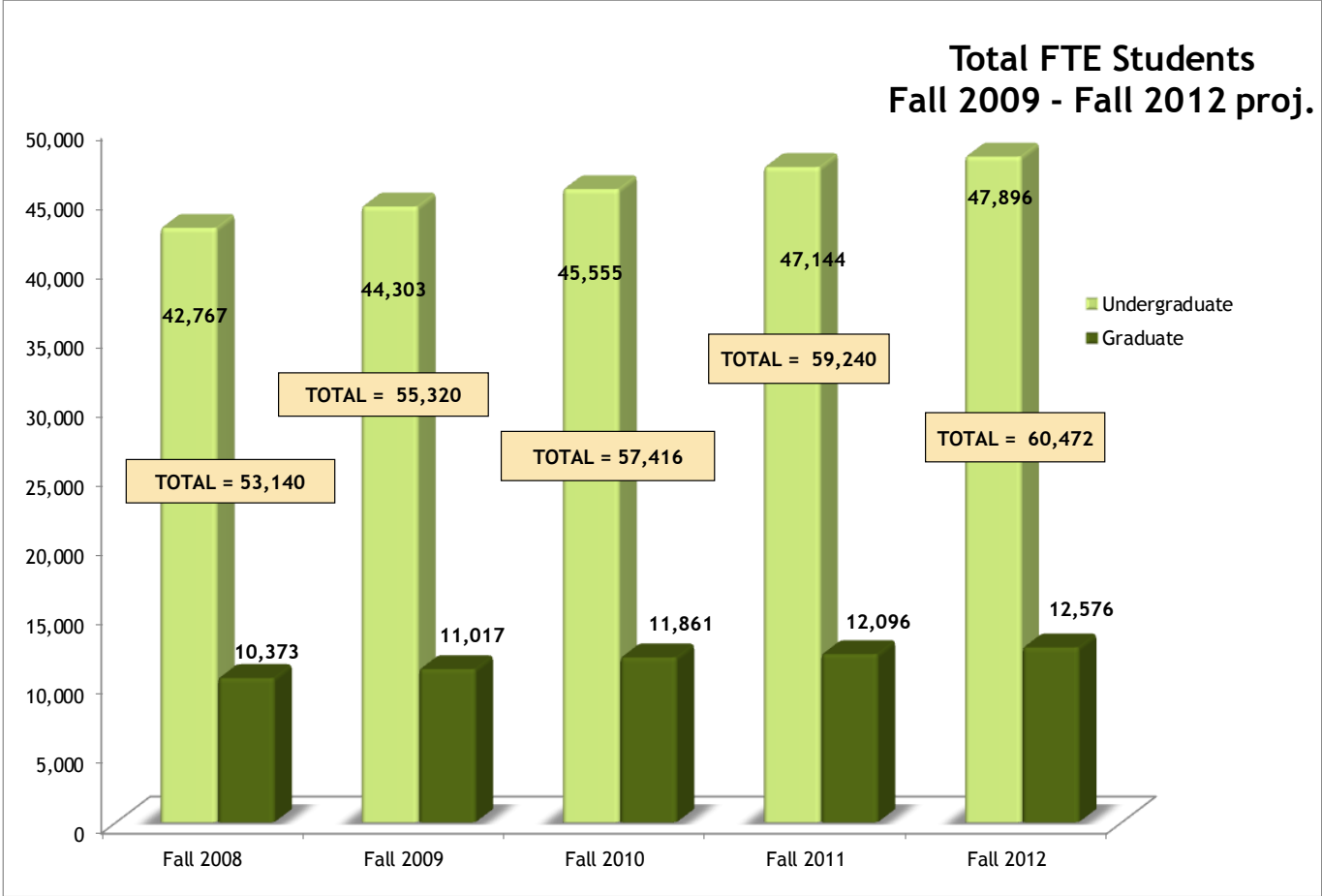
FY 2013 University Operating Budget – T12-037



**Table 5
University of Massachusetts
Fiscal Year 2013 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT**

| FISCAL YEAR | UNDERGRADUATE | | GRADUATE | | TOTAL | |
|----------------------------|---------------|--------|----------|--------|--------|--------|
| | HC | FTE | HC | FTE | HC | FTE |
| Fall 2012 projected | 55,614 | 47,896 | 17,701 | 12,576 | 73,315 | 60,473 |
| Fall 2011 | 54,648 | 47,144 | 17,004 | 12,096 | 71,652 | 59,240 |
| Fall 2010 | 53,769 | 45,555 | 16,819 | 11,861 | 70,588 | 57,416 |





OPERATING BUDGET

for Fiscal Year 2013

AMHERST CAMPUS



UNIVERSITY OF MASSACHUSETTS AMHERST
FY 2013 Operating Budget Narrative

The University of Massachusetts Amherst submits for approval a Fiscal Year 2013 operating budget totaling \$959 million. Key elements of the FY13 budget include:

- State-supported collective bargaining funding of \$12.3 Million to fund a portion of the \$15 Million of bargaining unit and non-unit raises in general operations funds
- 4.9% increase on undergraduate mandatory tuition and fees to cover inflationary increases, collective bargaining increases not supported by state funding, and continued investments in deferred maintenance and capital projects
- Growth in out-of-state students
- Continued contributions from Continuing Professional Education (CPE) programs to the core academic areas.

The Amherst campus is continuing planned out-of-state enrollment increases in FY13 to help fund instruction in the academic divisions and to meet increasing costs. Other revenue initiatives include increasing full paying terminal masters degree students, increasing summer and CPE revenue, attracting more donor support and growing the research base to better fund indirect expenses. All of these initiatives, along with better retention of students, provide alternative revenue streams allowing the campus to help offset the need for greater student fee increases.

The campus recently approved \$250 Million in capital projects necessary for the replacement and renovation (R&R) of aging facilities and to reduce \$1.7 Billion in deferred maintenance on campus. The campus expects to issue Building Authority debt of over \$200 Million in order to finance these critical capital projects. The campus has requested approval of increased student charges which will partially support the debt service and required spending on maintenance and transfers to R&R reserves for these projects.

The campus is continuing planned initiatives in FY13 to increase the number of tenure track faculty to meet increasing enrollment and increased research goals. The pace of the increase in faculty is dependent on the campus receiving approval of the requested tuition & fees.

The FY13 operating margin is positive as the campus transfers cash to the capital plan for start-up faculty funds, continued renovations and planned debt service increases in FY14-16. The ability to meet the 2% operating margin goal for the campus is dependent on approval of increased student charge rates.

FY14-FY17 Budget Projections

Revenue projections from FY14 through FY17 assume continued growth in out-of-state enrollment and solid gains in attracting federal research support. The operating margins begin to decrease in FY14 as major facilities such as the New Laboratory Sciences Building and Commonwealth Honors

College residence complex come into service. The related increases in depreciation, interest expense and related O&M for these and other new capital projects will require additional funding sources beyond the 2% state appropriation and 3% tuition and fee increases built into the planning assumptions. In addition, FY14 contemplates no state funding for bargained and non-unit salary increases. The negative financial impact of this scenario will result in operating margins which decline over FY14 to FY17 and require use of reserves to fund the campus facility and faculty growth needed to maintain Amherst as a premier flagship university.

The declines in operating margins will be offset by \$165 million in state capital appropriations to partially fund a new science facility and classroom building; \$85 Million for a new Physical Sciences Building; and \$75 Million for other renovations over a six year period.

Statement of Revenue and Change in Net Assets – FY12-FY17

The fiscal year operating budget is presented in the financial statement GASB format. In this format, net assets increase by \$70 Million in FY12. This is primarily attributable to a combination of \$50 Million in state capital appropriation spending and transfers to plant funds in excess of depreciation expense. The outer years of the projection also show increases in net assets due to capital appropriations from the state.

Financial Indicators

The Financial Indicators demonstrate the campus commitment to decrease deferred maintenance and invest in new facilities through additional debt issuances which increase the debt service to operations ratio close to the Board established maximum of 8% by 2014. In addition, the campus is committed to increasing the numbers of faculty to adequately teach the growing student body and to conduct leading research.

Return on Net Assets

Due to the infusion of \$165 million of known state funding for capital projects and projections for an additional \$160 million, this ratio is solid through the five year period.

Financial Cushion

The Financial Cushion will decline over the next five years primarily due to the spending of accumulated unrestricted funds on capital improvements as part of the campus capital plan.

Debt Service to Operations

As noted throughout the narrative, the campus intends to invest heavily over the next five years in capital infrastructure improvements, raising the debt service ratio close to the 8% maximum level in FY14-17. Much of the work will be devoted to renovating science classrooms, laboratories and dorms, replacing aging infrastructure and adding new student housing.

Endowment Per Student

The endowment per student ratio continues to lag significantly behind peer institutions. Increases in the ratio have come primarily from transfers of campus cash to the quasi endowment which represents approximately one-third of the market value in FY12. The campus continues to project growth in endowment as part of its fundraising efforts.

Private Funds Raised

The campus is anticipating 10% annual growth due to a more robust fundraising staff and an improving economy.

Deferred Maintenance Per Square Foot

This ratio tracks the progress the campus anticipates making in reductions to deferred maintenance over the next few years. The ratio is based on currently identified projects in the capital plan and \$175 million of spending included in the five year projection for infrastructure improvements.

Conclusion

The fiscal goals of the campus over the next five years are to develop reliable income streams to supplement state support of campus operations and to devote more of its incremental resources to making critical capital improvements. Out-of-state enrollment is expected to grow over the next five years and the additional revenue will be invested back into teaching and research. UMASS Amherst is a growing contributor to the economic health of the state of Massachusetts even as state support has declined. The pace at which the campus addresses its aging infrastructure and adds faculty is highly dependent on continued state investment in the campus. The combination of increased state support and additional alternative revenues is needed to avoid significant mandatory student fee increases to fund the renewal and growth of a world-class public research university.

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Amherst Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2013 Operating Budget Statement
(in thousands of dollars)

| | | | FY2013 BUDGETED | | | |
|--|-------------------|-------------------|---|-------------------------------|---------------------|------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget- Accrual Basis | FY12 to FY13 Change | |
| REVENUES | | | | | | |
| Operating Revenues | | | | | | |
| Tuition and Fees | \$355,352 | \$367,247 | \$400,591 | \$424,990 | \$24,399 | 6% |
| Scholarship allowance | -\$99,293 | -\$93,364 | -\$101,291 | -\$106,296 | -\$5,005 | 5% |
| Tuition and Fees (net of scholarship allowances) | \$256,059 | \$273,883 | \$299,300 | \$318,694 | \$19,394 | 6% |
| Federal Grants and Contracts | \$101,143 | \$103,748 | \$107,748 | \$112,704 | \$4,956 | 5% |
| State Grants and Contracts | \$13,844 | \$13,547 | \$13,613 | \$14,031 | \$418 | 3% |
| Local Grants and Contracts | \$467 | \$377 | \$377 | \$377 | \$0 | 0% |
| Private Grants and Contracts | \$27,197 | \$27,773 | \$30,191 | \$31,225 | \$1,034 | 3% |
| Sales & Service, Educational | \$7,335 | \$6,971 | \$7,132 | \$7,211 | \$79 | 1% |
| Auxiliary Enterprises | \$149,319 | \$160,494 | \$173,840 | \$182,921 | \$9,081 | 5% |
| Other Operating Revenues: | | | | | | |
| Sales & Service, Independent Operations | | | | | | |
| Sales & Service, Public Service Activities | | | | | | |
| Other | \$13,038 | \$13,310 | \$15,227 | \$13,282 | -\$1,945 | -13% |
| Total Operating Revenues | \$568,402 | \$600,103 | \$647,428 | \$680,445 | \$33,017 | 5% |
| EXPENSES | | | | | | |
| Operating Expenses | | | | | | |
| Educational and General | | | | | | |
| Instruction | \$251,066 | \$266,419 | \$280,362 | \$292,109 | \$11,747 | 4% |
| Research | \$107,140 | \$110,067 | \$118,411 | \$127,291 | \$8,880 | 7% |
| Public Service | \$22,003 | \$23,677 | \$25,547 | \$26,714 | \$1,167 | 5% |
| Academic Support | \$46,178 | \$50,340 | \$53,617 | \$55,103 | \$1,486 | 3% |
| Student Services | \$41,691 | \$46,496 | \$49,096 | \$49,149 | \$53 | 0% |
| Institutional Support | \$44,269 | \$49,527 | \$54,856 | \$56,979 | \$2,123 | 4% |
| Operation and Maintenance of Plant | \$79,127 | \$83,781 | \$88,821 | \$90,266 | \$1,445 | 2% |
| Depreciation and Amortization | \$63,563 | \$65,379 | \$66,576 | \$69,532 | \$2,956 | 4% |
| Scholarships and Fellowships | \$15,034 | \$15,800 | \$15,800 | \$15,800 | \$0 | 0% |
| Auxiliary Enterprises | \$128,258 | \$135,373 | \$146,264 | \$148,494 | \$2,230 | 2% |
| Other Expenditures | | | | | | |
| Independent Operations | | | | | | |
| Public Service Activities | | | | | | |
| Total Operating Expenses | \$798,329 | \$846,859 | \$899,350 | \$931,437 | \$32,087 | 4% |
| Operating Income/(Loss) | -\$229,927 | -\$246,756 | -\$251,922 | -\$250,992 | \$930 | 0% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | | |
| Federal Appropriations | \$5,922 | \$5,826 | \$7,172 | \$7,395 | \$223 | 3% |
| NonOperating Federal Grants | \$22,110 | \$25,359 | \$22,780 | \$22,730 | -\$50 | 0% |
| State Appropriations | \$191,948 | \$235,698 | \$239,101 | \$244,298 | \$5,197 | 2% |
| Gifts | \$11,063 | \$11,620 | \$11,375 | \$12,453 | | |
| Investment Return | \$19,326 | \$25,911 | \$7,641 | \$7,641 | \$0 | 0% |
| Endowment Return | \$2,429 | \$4,678 | \$6,000 | \$6,561 | \$561 | 9% |
| Interest on Indebtedness | -\$18,614 | -\$20,371 | -\$21,331 | -\$28,201 | -\$6,870 | 32% |
| Other Nonoperating Income | \$1,904 | \$2,364 | \$2,364 | \$2,364 | \$0 | 0% |
| Revenue from Stimulus Funds | \$72,969 | \$18,759 | \$0 | \$0 | \$0 | |
| Net Nonoperating Revenues | \$309,057 | \$309,844 | \$275,102 | \$275,241 | \$139 | 0% |
| Income Before Other Revenues, Expenses, Gains, and Losses | \$79,130 | \$63,088 | \$23,180 | \$24,249 | \$1,069 | 5% |
| Capital Appropriations | \$7,346 | \$8,444 | \$50,000 | \$50,000 | \$0 | 0% |
| Capital Grants and Contracts | \$2,142 | \$314 | \$4,089 | \$2,569 | -\$1,520 | -37% |
| University Related Transactions | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Disposal of Plant Facilities | -\$3,911 | -\$4,434 | -\$4,434 | -\$4,434 | \$0 | 0% |
| Other Additions/Deductions | \$1,283 | \$488 | -\$2,000 | -\$2,000 | \$0 | 0% |
| Total Other Revenues, Expenses, Gains & Losses | \$6,860 | \$4,812 | \$47,655 | \$46,135 | -\$1,520 | 3% |
| Total Increase in Net Assets | \$85,990 | \$67,900 | \$70,835 | \$70,384 | -\$451 | -1% |
| NET ASSETS | | | | | | |
| Net Assets at Beginning of Year | \$729,926 | \$815,916 | \$883,816 | \$954,651 | \$70,835 | 8% |
| Net Assets at End of Year | \$815,916 | \$883,816 | \$954,651 | \$1,025,035 | \$70,384 | 7% |

Table 2
University of Massachusetts
Amherst Campus
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$401,499 | \$414,160 | \$421,962 | \$446,703 | \$24,741 | 5.9% |
| Employee Fringe Benefits | \$95,626 | \$109,442 | \$112,296 | \$97,443 | (\$14,853) | -13.2% |
| Student Aid | \$44,467 | \$54,967 | \$59,617 | \$62,813 | \$3,196 | 5.4% |
| Utilities | \$34,868 | \$32,477 | \$34,736 | \$33,936 | (\$800) | -2.3% |
| Supplies and Other Services | \$158,306 | \$170,434 | \$204,163 | \$221,009 | \$16,846 | 8.3% |
| Depreciation | \$63,563 | \$65,379 | \$66,576 | \$69,532 | \$2,956 | 4.4% |
| TOTAL | \$798,329 | \$846,859 | \$899,350 | \$931,436 | \$32,086 | 3.6% |

*Total should equal total Operating Expenses from SRECNA

FY 2013 University Operating Budget – T12-037

Table 3
University of Massachusetts
Amherst Campus
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | 886.7 | 1,159.8 | 1,191.2 | 1,191.2 | 0.0 | 0.0% |
| Professional Staff | 948.2 | 942.8 | 844.2 | 844.2 | 0.0 | 0.0% |
| Classified Staff | 1,238.5 | 1,187.4 | 176.0 | 176.0 | 0.0 | 0.0% |
| Subtotal, State Funded | 3,073.4 | 3,290.0 | 2,211.3 | 2,211.3 | 0.0 | 0.0% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | 400.5 | 156.2 | 154.8 | 185.8 | 31.0 | 20.0% |
| Professional Staff | 455.8 | 434.1 | 581.8 | 588.8 | 7.0 | 1.2% |
| Classified Staff | 777.9 | 781.0 | 1,802.8 | 1,802.8 | 0.0 | 0.0% |
| Subtotal, Non-State Funded | 1,634.2 | 1,371.3 | 2,539.5 | 2,577.5 | 38.0 | 1.5% |
| Total Unrestricted/Designated | 4,707.6 | 4,661.3 | 4,750.8 | 4,788.8 | 38.0 | 0.8% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | 31.1 | 29.9 | 30.1 | 30.1 | 0.0 | 0.0% |
| Professional Staff | 295.7 | 340.6 | 303.3 | 308.3 | 5.0 | 1.6% |
| Classified Staff | 70.2 | 73.2 | 66.7 | 66.7 | 0.0 | 0.0% |
| Subtotal, Grant Funded | 397.0 | 443.7 | 400.1 | 405.1 | 5.0 | 1.2% |
| OTHER RESTRICTED POSITIONS | | | | | | |
| Faculty | 1.9 | 1.4 | 2.4 | 2.4 | 0.0 | 0.0% |
| Professional Staff | 1.3 | 1.8 | 3.9 | 3.9 | 0.0 | 0.0% |
| Classified Staff | 1.5 | 1.0 | 1.8 | 1.8 | 0.0 | 0.0% |
| Subtotal, Other Restricted Funds | 4.7 | 4.2 | 8.1 | 8.1 | 0.0 | 0.0% |
| Total Restricted | 401.7 | 447.9 | 408.2 | 413.2 | 5.0 | 1.2% |
| TOTAL UNRESTRICTED AND RESTRICTED | 5,109.3 | 5,109.2 | 5,159.0 | 5,202.0 | 43.0 | 0.8% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct.).

Table 4
University of Massachusetts
Amherst Campus
Fiscal Year 2013 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

| | UNDERGRADUATE | | GRADUATE | | TOTAL | |
|---------------------|---------------|--------|----------|-------|--------|--------|
| | HC | FTE | HC | FTE | HC | FTE |
| Fall 2012 projected | 24,246 | 21,935 | 7,143 | 5,043 | 31,389 | 26,978 |
| Fall 2011 | 24,274 | 21,950 | 7,143 | 5,043 | 31,417 | 26,993 |
| Fall 2010 | 24,015 | 20,843 | 7,229 | 4,967 | 31,244 | 25,810 |
| Fall 2009 | 23,627 | 20,498 | 6,926 | 4,705 | 30,553 | 25,203 |

*Source: Fall 2009, Fall 2010, and Fall 2011 figures from [Student Profile](#).

OPERATING BUDGET

for Fiscal Year 2013

BOSTON CAMPUS



**UNIVERSITY OF MASSACHUSETTS BOSTON
FY 2013 Operating Budget Narrative**

Budget Narrative

The Budget Expresses the Strategic Plan

UMass Boston’s recently completed 15-year strategic plan, *Fulfilling the Promise*, begins as follows:

The year is 2025. At the University of Massachusetts Boston, a great public urban research university, we honor our origins as a teaching institution and our tradition of public service. At the same time, we have taken bold steps to grow in stature as a sophisticated research university, and to play a distinguished part on the global stage. We have become the university our founders destined us to be in their original statement of purpose: well equipped to provide opportunities truly “equal to the best.”

Our FY13-17 budget does indeed reflect these high ambitions—and, we must add, it also reflects the many years of thoughtful and detailed planning that must support such ambitions. It specifically represents steps we must take to maintain our progress toward the critical overall goals of *Fulfilling the Promise*:

To advance student success and development by improving retention and graduation rates, strengthening our faculty, opening residence facilities, and establishing an honors college.

To enrich and expand academic programs and research by developing new academic programs, extending our offerings to new markets, and enhancing our research enterprise.

To improve the learning, teaching, and working environment with new academic buildings and with programs to nurture and retain the best faculty and staff.

To establish a financial resources model consistent with our vision statement through wisely managed enrollment increases that include more out-of-state and international students, through working to secure additional funding, and through strengthening review and reallocation processes.

To develop an infrastructure supportive of the preceding goals through processes for dealing with short- and long-term space needs, reviews of administrative systems and organizational structures, a strengthened communication strategy, and a rebuilt technology infrastructure.

An additional fact should be stressed: the activities represented by this budget are closely interlocked, and the success of one undertaking must almost invariably be tied to the successes of many others. In keeping with sound planning practice, our implementation

process includes many mechanisms for monitoring progress and making adjustments; we are confident that can make steady progress toward our goals.

Major Budget-Drivers

Below are comments on particularly important factors that inform and explain our budgeting decisions.

Revenue Drivers

Enrollment Growth

While maintaining the diversity and quality of our student body, we expect to enroll increasing numbers of students in FY13-17, with an average annual growth rate of 4% resulting in more than 19,000 students in FY17. We expect strategic investments in advising and other “start on track/stay on track” retention activities to result in higher enrollment numbers.

Differential Fees

The recognized excellence of our College of Management (CM) and College of Nursing and Health Sciences (NHS) is well documented. For example, *US News and World Report* in 2010 ranked our MS program in nursing among the top 10 percent in the country, and highest of its kind among public-university programs in New England; and in 2012, *US News and World Report* ranked CM's graduate program among America's best, while the *Princeton Review* ranked CM as a whole among America's best business schools. At the same time, our analysis and benchmarking show that in these key programs we are priced significantly below the market, certainly the geographic market. A pilot program to raise fees for these programs has been instituted; we are in year three in FY13. The goal is to raise the fees by \$200 per year to get to “reaching distance” of competitors.

Expense Drivers

Financial Aid

The UMass Boston commitment to access is well reflected by its commitment to provide funds to students with financial need (as indicated by the federal government FAFSA form) as well as by other subsidized programs for students. In FY07, need-based aid was \$3.9m and total institutional financial aid was \$9.9m. Those numbers have now grown to need-based aid of \$16.4m and total institutional aid of \$31.6m. In FY13, 9.3% (\$31.6m) of the total budget of \$337.9m will be devoted to institutional financial aid, a combination of need-based aid and other supports or waivers of tuition and fees. By FY17, 9.5% (or \$42.3m) of the budget will be devoted to total institutional financial aid, including \$21.8m of need-based aid.

Strategic Faculty and Program Growth

The budgets for FY13 and successive years, excepting FY16, will include \$7m in new dollars to fund increases in new tenured faculty (not just replacements) and other new programs to support the growth in enrollments and program and capital expansion. We should point out

that the expansion of our academic programs will result in many prospective students finding subject areas more closely tied to their passions (engineering, communications, and global studies, for example) and their level of performance. Those we attract will exhibit higher GPAs. And with the diversification of our doctoral programs, and our developing capacity to focus more on such funders as the National Institutes of Health, the National Science Foundation, the National Oceanic and Atmospheric Administration, the Department of Energy, and Department of Defense, we are now experiencing more grants with high indirect-cost-recovery rates. This capacity comes from the faculty we have recruited and the promise of our strategic plan.

Master Plan for Physical Plant Improvements

The next five years will witness major physical plant increases on the campus. The Integrated Sciences Complex will open in FY14; the General Academic Building #1 will open in FY15; and in FY16, the first UMass Boston residence halls will open. In addition to the increased debt-service costs reflected in these budget years, depreciation, cleaning, utility, and other support costs are taken into account. The BOT “Land and Facilities Use Planning Policy” (T93-122) is funded through the creation of reserves for renewal and ongoing maintenance, a sizable commitment at 2% of the construction costs. We are determined to follow these policies, taking a divergent path from our history.

Salary Costs: How They Increase and Who Bears the Share

The FY12 budget supports nearly \$140m of costs for employees of all types: permanent, temporary, part-time, full time, and on “contract”. The state contribution of just under \$70m covers 50% of costs; thus UMass Boston must also cover 50%. Three factors will drive our share to 55% by 2017:

- Collective bargaining cost increases, which we absorb completely in alternate years: FY 14, FY16, and FY17,
- Increases in the faculty ranks,
- Increases in professional and support employee costs.

Our record of employee growth, as compared to enrollment growth, is marked by constraint, as demonstrated by the following table.

| Headcount totals | Fall 06 | Fall 07 | Fall 08 | Fall 09 | Fall 10 | Fall 11 | 5-year change | % change | 6-year change | % change |
|------------------|---------|---------|---------|---------|---------|---------|---------------|----------|---------------|----------|
| Student | 12,362 | 13,433 | 14,117 | 14,912 | 15,454 | 15,741 | 3,092 | 25% | 3,379 | 21% |
| Faculty | 815 | 862 | 913 | 964 | 1,038 | 1,088 | 223 | 27% | 273 | 25% |
| Staff | 1,531 | 1,514 | 1,532 | 1,527 | 1,558 | 1,661 | 27 | 2% | 130 | 8% |

We hope that these comments will add to readers’ understanding of the detailed budget information we have provided.

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Boston Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2013 Operating Budget Statement
(in thousands of dollars)

| | FY2013 BUDGETED | | | | | FY12 to FY13 Change |
|---|------------------|------------------|---|---------------------------|------------------|---------------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget-Accrual Basis | | |
| REVENUES | | | | | | |
| Operating Revenues | | | | | | |
| Tuition and Fees | \$136,040 | \$151,047 | \$167,066 | \$182,467 | \$15,401 | 9% |
| Scholarship allowance | \$20,520 | \$25,100 | \$32,304 | \$34,304 | \$2,000 | 6% |
| Tuition and Fees (net of scholarship allowances) | \$115,520 | \$125,947 | \$134,762 | \$148,163 | \$13,401 | 10% |
| Federal Grants and Contracts | \$47,178 | \$49,267 | \$52,770 | \$55,657 | \$2,886 | 5% |
| State Grants and Contracts | \$7,216 | \$8,160 | \$10,233 | \$10,768 | \$534 | 5% |
| Local Grants and Contracts | \$710 | \$937 | \$1,521 | \$1,617 | \$96 | 6% |
| Private Grants and Contracts | \$11,065 | \$11,784 | \$11,429 | \$12,166 | \$737 | 6% |
| Sales & Service, Educational | \$2,363 | \$2,937 | \$2,796 | \$2,634 | (\$162) | -6% |
| Auxiliary Enterprises | \$10,086 | \$10,017 | \$10,136 | \$10,456 | \$320 | 3% |
| Other Operating Revenues: | | | | | \$0 | |
| Sales & Service, Independent Operations | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Sales & Service, Public Service Activities | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Other | \$397 | \$442 | \$263 | \$199 | (\$64) | -24% |
| Total Operating Revenues | \$194,535 | \$209,491 | \$223,911 | \$241,659 | \$17,748 | \$0 |
| EXPENSES | | | | | | |
| Operating Expenses | | | | | | |
| Educational and General | | | | | | |
| Instruction | \$107,187 | \$119,754 | \$127,677 | \$137,027 | \$9,351 | 7% |
| Research | \$30,496 | \$29,827 | \$32,577 | \$34,123 | \$1,547 | 5% |
| Public Service | \$6,730 | \$7,264 | \$9,326 | \$10,686 | \$1,360 | 15% |
| Academic Support | \$22,540 | \$24,037 | \$26,962 | \$28,466 | \$1,504 | 6% |
| Student Services | \$19,494 | \$20,539 | \$21,684 | \$22,396 | \$711 | 3% |
| Institutional Support | \$28,419 | \$31,120 | \$33,492 | \$35,682 | \$2,190 | 7% |
| Operation and Maintenance of Plant | \$22,120 | \$24,448 | \$26,071 | \$27,731 | \$1,660 | 6% |
| Depreciation and Amortization | \$17,697 | \$13,350 | \$15,041 | \$15,977 | \$936 | 6% |
| Scholarships and Fellowships | \$8,807 | \$11,177 | \$14,098 | \$15,219 | \$1,120 | 8% |
| Auxiliary Enterprises | \$8,344 | \$9,240 | \$10,139 | \$10,558 | \$419 | 4% |
| Other Expenditures | | | | | \$0 | |
| Independent Operations | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Public Service Activities | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total Operating Expenses | \$271,834 | \$290,756 | \$317,067 | \$337,865 | \$20,798 | 7% |
| Operating Income/(Loss) | -\$77,299 | -\$81,265 | -\$93,156 | -\$96,206 | (\$3,050) | 3% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | | |
| Federal Appropriations | \$0 | \$0 | \$0 | \$0 | \$0 | |
| State Appropriations | \$71,737 | \$87,923 | \$96,258 | \$99,990 | \$8,589 | 9% |
| Gifts | \$1,805 | \$2,548 | \$2,748 | \$2,885 | \$445 | 16% |
| Investment Return | \$7,268 | \$10,214 | \$4,742 | \$4,816 | -\$2,269 | -48% |
| Endowment Return | \$719 | \$956 | \$1,500 | \$1,575 | \$196 | 13% |
| Interest on Indebtedness | -\$4,092 | -\$6,352 | -\$6,921 | -\$7,541 | -\$1,799 | 26% |
| Other Nonoperating Income | \$263 | \$273 | \$0 | \$0 | | |
| Revenue from Stimulus Funds | \$25,606 | \$6,563 | \$0 | \$0 | -\$6,539 | |
| Net Nonoperating Revenues | \$103,306 | \$102,125 | \$98,327 | \$101,725 | \$3,398 | 3% |
| Income Before Other Revenues, Expenses, Gains and Losses | \$26,007 | \$20,860 | \$5,171 | \$5,519 | \$348 | 7% |
| Gains and Losses | | | | | | |
| Capital Appropriations | \$13,878 | \$5,002 | \$4,100 | \$80,000 | \$75,900 | 1851% |
| Capital Grants and Contracts | \$1,492 | \$137 | \$53 | \$2,000 | \$1,947 | 3674% |
| University Related Transactions | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Disposal of Plant Facilities | -\$1,492 | -\$1,397 | -\$1,800 | -\$1,800 | | |
| Other Additions/Deductions | \$7,867 | \$398 | \$0 | \$0 | | |
| Total Other Revenues, Expenses, Gains & Losses | \$21,745 | \$4,140 | \$2,353 | \$80,200 | \$77,847 | 3308% |
| Total Increase in Net Assets | \$47,752 | \$25,000 | \$7,524 | \$85,719 | \$78,195 | 1039% |
| NET ASSETS | | | | | | |
| Net Assets at Beginning of Year | \$175,882 | \$223,634 | \$248,634 | \$256,158 | \$7,524 | 3% |
| Net Assets at End of Year | \$223,634 | \$248,634 | \$256,158 | \$341,877 | \$85,719 | 33% |

Table 2
University of Massachusetts
Boston Campus
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$142,668 | \$152,591 | \$162,451 | \$175,734 | \$13,283 | 8.2% |
| Employee Fringe Benefits | \$32,526 | \$41,277 | \$44,410 | \$42,027 | (\$2,383) | -5.4% |
| Scholarships & Fellowships | \$8,807 | \$11,177 | \$14,098 | \$15,219 | \$1,120 | 7.9% |
| Utilities | \$7,799 | \$8,245 | \$6,239 | \$6,689 | \$450 | 7.2% |
| Supplies and Other Services | \$62,337 | \$64,116 | \$75,552 | \$82,219 | \$6,667 | 8.8% |
| Depreciation | \$17,697 | \$13,350 | \$15,041 | \$15,977 | \$936 | 6.2% |
| TOTAL | \$271,834 | \$290,756 | \$317,792 | \$337,865 | \$20,073 | 6.3% |

***Total** should equal total Operating Expenses from SRECNA

Table 3
University of Massachusetts
Boston Campus
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | 470.5 | 478.2 | 470.1 | 470.1 | 0.0 | 0.0% |
| Professional Staff | 408.4 | 417.7 | 415.5 | 414.0 | (1.5) | -0.4% |
| Classified Staff | 277.6 | 279.9 | 269.0 | 260.0 | (9.0) | -3.3% |
| Subtotal, State Funded | 1,156.5 | 1,175.8 | 1,154.6 | 1,144.1 | (10.5) | -0.9% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | 311.3 | 310.5 | 340.5 | 375.5 | 35.0 | 10.3% |
| Professional Staff | 223.7 | 219.1 | 244.8 | 271.8 | 27.0 | 11.0% |
| Classified Staff | 74.3 | 71.1 | 90.9 | 102.0 | 11.1 | 12.2% |
| Subtotal, Non-State Funded | 609.3 | 600.7 | 676.2 | 749.3 | 73.1 | 10.8% |
| Total Unrestricted/Designated | 1,765.8 | 1,776.5 | 1,830.8 | 1,893.4 | 62.6 | 3.4% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | 0.9 | 8.8 | 8.9 | 10.2 | 1.3 | 14.2% |
| Professional Staff | 114.0 | 130.7 | 135.5 | 138.7 | 3.2 | 2.3% |
| Classified Staff | 19.4 | 19.7 | 18.4 | 19.3 | 0.9 | 5.0% |
| Subtotal, Grant Funded | 134.3 | 159.2 | 162.9 | 168.2 | 5.3 | 3.3% |
| OTHER RESTRICTED POSITIONS | | | | | | |
| Faculty | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Professional Staff | 4.6 | 2.8 | 4.5 | 4.5 | 0.0 | 0.0% |
| Classified Staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | #DIV/0! |
| Subtotal, Other Restricted Funds | 4.6 | 2.8 | 4.5 | 4.5 | 0.0 | 0.0% |
| Total Restricted | 138.9 | 162.0 | 167.4 | 172.7 | 5.3 | 3.2% |
| TOTAL UNRESTRICTED AND RESTRICTED | 1,904.7 | 1,938.5 | 1,998.2 | 2,066.1 | 68.0 | 3.4% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct).

Table 4
University of Massachusetts
Boston Campus
Fiscal Year 2013 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

| | UNDERGRADUATE | | GRADUATE | | TOTAL | |
|---------------------|---------------|-------|----------|-------|--------|--------|
| | HC | FTE | HC | FTE | HC | FTE |
| Fall 2012 projected | 11,417 | 9,122 | 3,405 | 2,434 | 14,822 | 11,557 |
| Fall 2011 | 11,065 | 8,824 | 3,325 | 2,369 | 14,390 | 11,193 |
| Fall 2010 | 10,745 | 8,477 | 3,323 | 2,351 | 14,068 | 10,828 |
| Fall 2009 | 10,130 | 8,073 | 3,253 | 2,392 | 13,383 | 10,465 |

*Source: Fall 2009, Fall 2010, and Fall 2011 figures from Student Profile

OPERATING BUDGET

for Fiscal Year 2013

DARTMOUTH CAMPUS



UNIVERSITY OF MASSACHUSETTS DARTMOUTH
FY 2013 Operating Budget Narrative

Context

In preparing the FY2013 Operating Budget, the campus used assumptions provided by the President's Office as well as Campus-based assumptions related to enrollment, state appropriated funds, tuition and fee rates, grants and contracts revenues, personnel costs, strategic investments and mandatory/fixed costs. Strategic investments provided the underlying driver for campus based assumptions.

For FY2012 the University experienced a 7.5% increase in mandatory fees which resulted in \$4.5 million additional revenues generated from students. Within this context, scholarship awards were increased to maintain the historic level of 20% return to student population. State, Local and Private Grants and contract are expected to remain constant to FY11 levels. Auxiliary generated revenues are projected to show a modest increase which is commensurate to the plan rate increase for this area. In FY2012 the University funded from existing resources the cost of the collective bargaining as well as the associated fringe (amounting to \$3.1 million); the FY 2102 fringe rate increased by 4% resulting in additional expenses for the same level of payroll; as well as strategic investments for academic space; all of which is funded with one-time monies. In addition, the campus recognizes the impact of collective bargaining on accrued liabilities for compensated absences and the resulting effects observed in the financial indicators.

Further deterioration of the state appropriation will negatively impact the campus' ability to maintain affordability and access and meet its strategic objectives. Specifically, targeted investments in research and graduate growth, improvements in recruitment, retention and yield, percent of need-based aid met and planned investments in deferred maintenance.

Over the past several years, the University of Massachusetts Dartmouth has improved its financial condition as seen in the financial indicators. In looking at our peers (Murray State University, Sonoma State University, Central Arkansas University, University of Wisconsin at Eau Claire), we found the University of Dartmouth had more favorable ratios in regards to Operating Margin, Endowment per Student and Return on Net Assets. With regards to our Financial Cushion and Debt Service ratios, we are less favorable than our peers. For the State Appropriation per FTE, we are slightly higher than the average peer data; however we fall at the median when using this statistical indicator.

As mentioned earlier, all assumptions are consistent with the guidelines established by the President's Office. The FY2013 Operating Budget uses FY2011 actual audited results and FY2012 projected results as a basis for our budget development. The projections result from assumptions regarding the state appropriation, enrollment, collective bargaining, fringe benefit rates, and expense inflation and tuition and fee rates. Other assumptions developed by the campus that affect revenues include enrollment growth of 1.5%, increased sponsored research consistent with our strategic plan and a tuition and mandatory fee rate increase of 4.9% to cover inflationary increases, collective bargaining increases not funded by the Commonwealth, and investment in infrastructure and deferred maintenance.

Expenditure assumptions include strategic investments in research growth and capital improvements, increased financial aid, unfunded FY11 collective bargaining increases paid out in FY12 that were funded with one-time monies, payment of debt and the impact of accrual or financial statement adjustments to budget amounts. We continue to invest in faculty, academic support, library and scholarships for the Law School; consistent with the University plan to be in full compliance with the American Bar Association Standards.

FY 2013 University Operating Budget – T12-037

Results

During Fiscal Year 2012, several strategic budget priorities were funded using existing resources. Specifically, investments in recruitment, retention and yield of students, academic program expansion, and institutional need-based aid and research growth related activities. These activities continue in Fiscal Year 2013.

For Fiscal Year 2012, we anticipate a total increase in net assets of \$29.2 million primarily attributed to the capitalization of the Library project. The Operating surplus is expected to be \$3.2 million reflected in the Operating Margin of 1.4%. The Financial Cushion projections shows improvement from 5.4% to 6.5%. Debt Ratio remains as originally projected. We project a 7% improvement in the Endowment per Student ratio.

For Fiscal Year 2013, the Dartmouth Campus continues the trend of improving its financial position. However, there is still substantial work to be done. The overall financial statements project an increase in Total Net Assets of approximately \$19.1 million. This increase is directly attributable to the final year of capitalized costs associated with the \$43.0 million renovation of the Claire T. Carney Library.

The campus partnered with the Division of Capital Asset Management (DCAM) to add space and renovate existing space in the Claire T. Carney Library. This project is being funded exclusively through state general obligation bond funds from Chapter 258 of 2008. Construction began in fiscal year 2010 and the project is planned to be substantially complete in the fall of FY 2013.

The operating surplus is projected to be \$1.4 million reflected in the Operating Margin of 0.6%. The financial cushion is expected to slightly increase to 6.8% from the anticipated fiscal year 2012 results of 6.5%. Debt ratio will remain relatively level as originally projected. We project the trend for improving the Endowment per Student to continue with a 4% planned increase.

In addition, the Dartmouth Campus participated in the University of Massachusetts Building Authority's Fiscal Year 2011 \$600 million bond issuance. The Dartmouth Campus share was \$61 million. This borrowing is critical in supporting the strategic goals of recruitment, retention and yield of both undergraduate and graduate programs and growth in sponsored research. Included in the \$61 million are lab renovations, upgrades to freshman residence halls, Athletic Center improvements and refinancing of the Law School Debt. In addition, the University is investing in other projects outside of the \$60 million bond issue; a \$35 million Energy Savings Project that includes a \$17 million co-generation plant and some smaller projects such as the \$1.2 million photovoltaic and the \$1.4 million wind turbine installations.

FY2013 Budget Challenge

As we plan for fiscal year 2013, the University is faced with challenges. The Commonwealth's economy appears to be improving, yet the University may not realize the benefit of economic improvements until future years. To meet this challenge we will be required to make strategic operating budget and personnel reallocations; increase enrollment; increase scholarship and research; provide increased need-based financial aid; and focus concentrated efforts on investments that will enhance our ability to raise future revenue. The campus has strategically allocated resources, and will continue to do so, in the effort of developing stronger enrollment practices to enhance future revenue growth and increase externally funded research programs.

Conclusion

We have made the above decisions after careful and thoughtful consideration of all practical alternatives. The operating budget package represents a collaboration of all levels of the organization. The primary objective for FY2013 continues momentum in recruiting and retention and increased research and graduate programs such that strategic investments can be aggressive in FY2015 through FY2017, along with some build-up of cash

FY 2013 University Operating Budget – T12-037

reserves in the out years. We feel confident that these decisions position this campus for long-term excellence and sustainability.

The town meetings that were initiated in FY11 under the title "Conversations That Matter" (and will continue throughout FY13) have created momentum to transform the campus through thoughts, ideas and action. Employees are being strongly encouraged to become actively engaged, student-centered, integrate learning and discovery, with the intention of transforming the university and the communities which we serve. They are being challenged to move forward with insight and understanding, respond to changing student demographics, become innovative take responsible action and be ready to react accordingly given constrained resources.

Here on the South Coast, our university is looked upon as the engine of socio-economic development; a powerful source of energy and talent that drives the creative economy, sustains our coastal resources, and catalyzes the renewable energy and life science business sectors. The education programs we offer are seen as the ultimate solution to the chronic problem of low educational attainment. Therefore, even as various forms of financial support are declining, the expectations for us to contribute to society are growing.

This requires that we take bold and strategic action to position UMass Dartmouth to sustain high quality education, scholarship and service to the region and Commonwealth for decades to come. It requires us to maintain our commitment to access and affordability, and continue to move forward with our most critical goals during a period of financial challenge and emerging opportunities. We must streamline, innovate and invest as never before to be less dependent on state funds and grow non-state funding.

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Dartmouth Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2013 Operating Budget Statement
(in thousands of dollars)

| | FY2013 BUDGETED | | | | |
|--|------------------|------------------|---|---------------------------|-----------------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget-Accrual Basis | FY12 to FY13 Change |
| REVENUES | | | | | |
| Operating Revenues | | | | | |
| Tuition and Fees | \$92,085 | \$101,198 | \$103,193 | \$107,144 | \$3,951 4% |
| Scholarship allowance | -\$26,545 | -\$29,110 | -\$28,670 | -\$28,215 | \$455 -2% |
| Tuition and Fees (net of scholarship allowances) | \$65,540 | \$72,088 | \$74,523 | \$78,929 | \$4,406 6% |
| Federal Grants and Contracts | \$12,806 | \$15,137 | \$16,115 | \$18,000 | \$1,885 12% |
| State Grants and Contracts | \$4,943 | \$5,711 | \$5,711 | \$6,000 | \$289 5% |
| Local Grants and Contracts | \$250 | \$176 | \$300 | \$400 | \$100 33% |
| Private Grants and Contracts | \$4,604 | \$4,778 | \$5,122 | \$5,800 | \$678 13% |
| Sales & Service, Educational | \$55 | \$93 | \$50 | \$50 | \$0 |
| Auxiliary Enterprises | \$42,580 | \$45,546 | \$46,762 | \$48,983 | \$2,221 5% |
| Other Operating Revenues: | | | \$0 | | |
| Sales & Service, Independent Operations | | | \$0 | | |
| Sales & Service, Public Service Activities | | | \$0 | | |
| Other | \$4,378 | \$4,566 | \$5,724 | \$4,700 | -\$1,024 -18% |
| Total Operating Revenues | \$135,156 | \$148,095 | \$154,307 | \$162,862 | \$8,555 6% |
| EXPENSES | | | | | |
| Operating Expenses | | | | | |
| <i>Educational and General</i> | | | | | |
| Instruction | \$57,277 | \$64,830 | \$65,252 | \$67,476 | \$2,223 3% |
| Research | \$20,108 | \$18,213 | \$19,204 | \$20,321 | \$1,117 6% |
| Public Service | \$3,608 | \$4,677 | \$4,841 | \$5,248 | \$407 8% |
| Academic Support | \$22,311 | \$24,761 | \$26,211 | \$27,319 | \$1,108 4% |
| Student Services | \$7,907 | \$9,845 | \$9,537 | \$9,861 | \$323 3% |
| Institutional Support | \$16,637 | \$17,504 | \$18,429 | \$19,327 | \$898 5% |
| Operation and Maintenance of Plant | \$23,508 | \$22,137 | \$21,903 | \$28,270 | \$6,367 29% |
| Depreciation and Amortization | \$12,153 | \$12,531 | \$13,000 | \$13,736 | \$736 6% |
| Scholarships and Fellowships | \$5,793 | \$5,842 | \$8,718 | \$8,980 | \$262 3% |
| <i>Auxiliary Enterprises</i> | \$22,504 | \$28,827 | \$28,473 | \$29,442 | \$968 3% |
| <i>Other Expenditures</i> | | | | | |
| Independent Operations | | | | | |
| Public Service Activities | | | | | |
| Total Operating Expenses | \$191,806 | \$209,167 | \$215,570 | \$229,981 | \$14,411 7% |
| Operating Income/(Loss) | -\$56,650 | -\$61,072 | (\$61,263) | (\$67,119) | -\$5,856 10% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | |
| Federal Appropriations | | | | | |
| State Appropriations | \$42,834 | \$51,840 | \$57,674 | \$60,304 | \$2,630 5% |
| Gifts | | \$1,000 | \$0 | \$0 | \$0 |
| Investment Return | \$1,026 | \$2,069 | \$1,205 | \$1,400 | \$195 16% |
| Endowment Return | \$512 | \$969 | \$1,002 | \$1,200 | \$198 20% |
| Unrealized Gains | | | \$700 | \$750 | \$50 |
| Interest on Indebtedness | -\$8,209 | -\$9,173 | -\$9,059 | -\$9,863 | -\$804 9% |
| Other Nonoperating Income | \$536 | \$946 | \$509 | \$500 | -\$9 -2% |
| Non operating Federal Grants | \$9,811 | \$11,646 | \$11,823 | \$12,000 | \$177 1% |
| Revenue from Stimulus Funds | \$19,107 | \$4,079 | \$0 | \$0 | \$0 |
| Net Nonoperating Revenues | \$65,617 | \$63,376 | \$63,854 | \$66,291 | \$2,437 4% |
| Income Before Other Revenues, Expenses, Gains, and Losses | \$8,967 | \$2,304 | \$2,591 | (\$828) | -\$3,420 -132% |
| Capital Appropriations | \$3,461 | \$8,201 | \$27,700 | \$21,000 | -\$6,700 -24% |
| Capital Grants and Contracts | \$273 | \$100 | \$100 | \$100 | \$0 |
| Capital Contribution | | \$3,332 | \$0 | \$0 | \$0 |
| University Related Transactions | | | \$21 | \$0 | -\$21 -100% |
| Disposal of Plant Facilities | -\$1,213 | -\$1,154 | -\$1,200 | -\$1,200 | \$0 |
| Other Additions/Deductions | -\$1,500 | \$774 | \$0 | \$0 | \$0 |
| Total Other Revenues, Expenses, Gains & Losses | \$1,021 | \$11,253 | \$26,621 | \$19,900 | -\$6,721 -25% |
| Total Increase in Net Assets | \$9,988 | \$13,557 | \$29,212 | \$19,072 | -\$10,140 -35% |
| NET ASSETS | | | | | |
| Net Assets at Beginning of Year | \$55,134 | \$65,122 | \$78,679 | \$107,891 | \$29,212 37% |
| Net Assets at End of Year | \$65,122 | \$78,679 | \$107,891 | \$126,963 | \$19,072 18% |

Table 2
University of Massachusetts
Dartmouth Campus
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$84,128 | \$91,082 | \$95,655 | \$101,394 | \$5,739 | 6.0% |
| Employee Fringe Benefits | \$21,409 | \$26,704 | \$28,047 | \$26,345 | -\$1,702 | -6.1% |
| Student Aid | \$13,881 | \$14,298 | \$17,055 | \$17,817 | \$762 | 4.5% |
| Utilities | \$9,237 | \$10,306 | \$10,572 | \$8,572 | -\$2,000 | -18.9% |
| Supplies and Other Services | \$48,840 | \$54,246 | \$51,241 | \$62,117 | \$10,876 | 21.2% |
| Depreciation | \$12,153 | \$12,531 | \$13,000 | \$13,736 | \$736 | 5.7% |
| TOTAL | \$189,648 | \$209,167 | \$215,570 | \$229,981 | \$14,411 | 6.7% |

*Total should equal total Operating Expenses from SRECNA

FY 2013 University Operating Budget – T12-037

Table 3
University of Massachusetts
Dartmouth Campus
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | 370.1 | 361.7 | 362.9 | 362.9 | 0.0 | 0.0% |
| Professional Staff | 232.5 | 227.7 | 251.0 | 255.0 | 4.0 | 1.6% |
| Classified Staff | 255.6 | 256.4 | 255.3 | 255.3 | 0.0 | 0.0% |
| Subtotal, State Funded | 858.2 | 845.8 | 869.2 | 873.2 | 4.0 | 0.5% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | 68.5 | 73.0 | 74.0 | 74.0 | 0.0 | 0.0% |
| Professional Staff | 85.0 | 99.0 | 86.8 | 86.8 | 0.0 | 0.0% |
| Classified Staff | 99.4 | 112.0 | 109.7 | 109.7 | 0.0 | 0.0% |
| Subtotal, Non-State Funded | 252.9 | 284.0 | 270.5 | 270.5 | 0.0 | 0.0% |
| Total Unrestricted/Designated | 1,111.1 | 1,129.8 | 1,139.7 | 1,143.7 | 4.0 | 0.4% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | 5.8 | 8.0 | 9.1 | 9.1 | (0.0) | -0.3% |
| Professional Staff | 40.1 | 42.4 | 41.5 | 41.5 | 0.0 | 0.0% |
| Classified Staff | 3.5 | 5.4 | 3.0 | 3.0 | 0.0 | 0.7% |
| Subtotal, Grant Funded | 49.5 | 55.8 | 53.6 | 53.6 | 0.0 | 0.0% |
| OTHER RESTRICTED POSITIONS | | | | | | |
| Faculty | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Professional Staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Classified Staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Subtotal, Other Restricted Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Total Restricted | 49.5 | 55.8 | 53.6 | 53.6 | 0.0 | 0.0% |
| TOTAL UNRESTRICTED AND RESTRICTED | 1,160.5 | 1,185.6 | 1,193.3 | 1,197.3 | 4.0 | 0.3% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct.).

Table 4
University of Massachusetts
Dartmouth Campus
Fiscal Year 2013 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

| | UNDERGRADUATE | | GRADUATE | | TOTAL | |
|----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | HC | FTE | HC | FTE | HC | FTE |
| Fall 2012 projected | 7,694 | 6,874 | 1,677 | 1,199 | 9,371 | 8,073 |
| Fall 2011 | 7,580 | 6,802 | 1,645 | 1,179 | 9,225 | 7,981 |
| Fall 2010 | 7,749 | 7,045 | 1,683 | 1,218 | 9,432 | 8,263 |
| Fall 2009 | 7,982 | 7,260 | 1,320 | 899 | 9,302 | 8,159 |

*Source: Fall 2009, Fall 2010, and Fall 2011 figures from Student Profile

OPERATING BUDGET

for Fiscal Year 2013

LOWELL CAMPUS



UNIVERSITY OF MASSACHUSETTS LOWELL
FY 2013 Operating Budget Narrative

Overview

The Fiscal Year 2013 Operating Budget Statement for the University of Massachusetts Lowell (UML) presents a general plan for the year and outlines our priorities, resources and planned use of funds in FY 2013.

The document considers the FY2011 actual Financial Statements, the forecasted results for FY2012 and the projected outcome for FY2013 based on the campus budget planning and parameters established by the President's Office.

Chancellor Meehan has been working with Lowell's faculty, staff and administration since 2008 to adjust to the Commonwealth's fiscal crisis while maintaining the focus on building a new vision and strategic plan for the University. Despite the challenges, the goal continues to be to strive for excellence through strategic investment in our students, faculty and facilities.

UMass Lowell Mission and the UMass Lowell 2020 Strategic Plan

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 campus developed the UMass Lowell 2020 Strategic Plan three years ago. It provides a framework for how we will achieve national and international recognition as a world-class institution over the next decade. The planning process is repositioning the University so that students, faculty and staff, and the community see us as a true public enterprise committed to taking an entrepreneurial approach to innovation in all aspects of our University.

The campus has conducted its FY2013 budget hearings and is reviewing all major departmental budgets, including goals, strategic priorities, efficiency ideas, and contingency planning depending upon available financial resources. Obviously, final budget decisions for FY2013 will depend considerably on the final outcome of the state budget process and student charge deliberations.

FY2012 Review

The campus continues to experience dynamic enrollment growth. Enrollment grew by more than thirty-seven percent since 2007 and increased by over 600 students in FY2012. Student enrollment generated revenue has become a significant portion of the University's unrestricted revenue.

FY2012 student revenues increased 12.7% over FY2011 due to enrollment growth and increased rates.

Campus investments of more than \$15 million over the past two fiscal years have been targeted at activities that improve the overall quality of academic programs and enhance the entire student learning and living experience, such as:

FY 2013 University Operating Budget – T12-037

- The hiring of new tenure track and non-tenure track faculty
- New staff in growth impacted service areas such as admissions, financial aid, veterans services, international student support
- Support for faculty and student work including smart classroom upgrades, lab equipment investments and library materials;
- Funding for capital repairs and renewal, academic office renovations, energy efficiency and space inventory systems;
- Transportation System improvements;
- Marketing and branding investments to improve recruiting and external relations including web enhancements and content management system upgrades, signage and way-finding improvement;
- Information Technology including academic computing, network support, audio visual and video conferencing upgrades, training, document management and workflow systems to improve processing efficiencies;
- Public Safety investments including police equipment upgrades, emergency phone, blue light and security camera upgrades.

The Lowell Campus is projecting a \$1.5 million operating surplus for FY2012 or a 0.4% operating margin.

FY 2013 Budget Assumptions

Revenues

State Support

For planning purposes, the University of Massachusetts Lowell FY2013 budget assumes a state appropriation increase of approximately \$1.5 million or a 2% change from FY2012. This allocation is consistent with the amount recommended by the Governor and the House of Representatives for FY2013 and covers collective bargaining, offset by the reduction in the fringe benefit rate.

Other Revenues

The Lowell campus anticipates a 6.4% increase in full-time equivalent undergraduate and graduate enrollment for Fall 2012. This enrollment growth and current estimates for student charges, offset by the increased financial aid spending to maintain the University's commitment to affordability, will result in an estimated 10% net increase in tuition and fee revenues. The university is proposing an increase in student charges of 4.9%.

The enrollment growth and campus efforts to expand the residential experience for students are projected to generate an 8% increase in revenues from Residential Housing and Food Services. Grant and contract revenue from all sources is projected to increase by 9% over FY2012.

Expenditures

The campus has funded 43 new tenure track and non-tenure track faculty since FY2011 to meet enrollment growth and program needs and has budgeted an additional 35 new faculty in FY2013. Staffing levels have increased in areas of critical importance to the strategic plan, primarily in the facilities, public safety, student services and academic support areas.

FY 2013 University Operating Budget – T12-037

Projected cost increases for facilities in FY2013 include \$3.6 million increase in debt interest payments and \$2.8 million increase for facility operational costs and preventative/deferred maintenance. A recently completed facility condition assessment calculated total deferred maintenance at the UMass Lowell campus to be in excess of \$450 million.

Additionally, the campus has budgeted a \$10 million increase for collective bargaining and fringe benefit costs and inflationary increases not covered by state funding.

The overall result of the changes in revenues and expenses is projected to be a \$5.7 million deficit or a -1.7% operating margin for FY2013 funded by accumulated surpluses. Management believes an operating deficit of this magnitude is a prudent investment in campus growth and strategic initiatives.

Should the University's final FY2012 and FY2013 budget outcome prove more favorable, the campus will continue the practice of reviewing and targeting surpluses toward much needed facility improvements and other strategic investments to enhance the growth and development of the student experience and effectiveness of our world-class faculty.

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Lowell Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2013 Operating Budget Statement
(in thousands of dollars)

| | | | FY2013 BUDGETED | | | |
|--|-------------------|-------------------|---|---------------------------|---------------------|--------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget-Accrual Basis | FY12 to FY13 Change | |
| REVENUES | | | | | | |
| Operating Revenues | | | | | | |
| Tuition and Fees | \$131,872 | \$141,505 | \$157,501 | \$173,112 | \$15,611 | 10% |
| Scholarship allowance | \$29,245 | \$28,087 | \$29,671 | \$33,254 | \$3,583 | 12% |
| Tuition and Fees (net of scholarship allowances) | \$102,627 | \$113,418 | \$127,830 | \$139,858 | \$12,028 | 9% |
| Federal Grants and Contracts | \$20,505 | \$24,964 | \$24,655 | \$26,930 | \$2,275 | 9% |
| State Grants and Contracts | \$5,134 | \$5,123 | \$5,562 | \$6,075 | \$513 | 9% |
| Local Grants and Contracts | \$284 | \$278 | \$305 | \$333 | \$28 | 9% |
| Private Grants and Contracts | \$10,791 | \$10,577 | \$11,587 | \$12,656 | \$1,069 | 9% |
| Sales & Service, Educational | \$921 | \$228 | \$225 | \$251 | \$26 | 12% |
| Auxiliary Enterprises | \$26,623 | \$30,054 | \$31,876 | \$34,334 | \$2,458 | 8% |
| Other Operating Revenues: | | | | | | |
| Sales & Service, Independent Operations | | | | | | |
| Sales & Service, Public Service Activities | | | | | | |
| Other | \$3,602 | \$4,694 | \$4,625 | \$5,171 | \$546 | 12% |
| Total Operating Revenues | \$170,487 | \$189,336 | \$206,665 | \$225,608 | \$18,943 | 9% |
| EXPENSES | | | | | | |
| Operating Expenses | | | | | | |
| <i>Educational and General</i> | | | | | | |
| Instruction | \$83,159 | \$90,691 | \$101,063 | \$112,262 | \$11,199 | 11% |
| Research | \$33,730 | \$35,285 | \$37,912 | \$39,982 | \$2,070 | 5% |
| Public Service | \$1,940 | \$2,216 | \$2,352 | \$2,413 | \$61 | 3% |
| Academic Support | \$20,184 | \$20,164 | \$23,082 | \$23,502 | \$420 | 2% |
| Student Services | \$15,846 | \$17,405 | \$18,630 | \$19,608 | \$978 | 5% |
| Institutional Support | \$25,415 | \$32,135 | \$35,833 | \$36,719 | \$886 | 2% |
| Operation and Maintenance of Plant | \$22,116 | \$27,482 | \$30,625 | \$33,404 | \$2,779 | 9% |
| Depreciation and Amortization | \$14,357 | \$16,085 | \$18,130 | \$22,412 | \$4,282 | 24% |
| Scholarships and Fellowships | \$4,996 | \$8,413 | \$8,784 | \$9,027 | \$243 | 3% |
| <i>Auxiliary Enterprises</i> | \$18,525 | \$18,814 | \$20,549 | \$22,116 | \$1,567 | 8% |
| <i>Other Expenditures</i> | | | | | | |
| Independent Operations | | | | | | |
| Public Service Activities | | | | | | |
| Total Operating Expenses | \$240,268 | \$268,690 | \$296,960 | \$321,445 | \$24,485 | 8% |
| Operating Income/(Loss) | (\$69,781) | (\$79,354) | (\$90,295) | (\$95,837) | (\$5,542) | 6% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | | |
| Federal Appropriations | | | | | | |
| State Appropriations | \$62,205 | \$76,303 | \$76,306 | \$77,800 | \$1,494 | 2% |
| Gifts | \$1,848 | \$2,667 | \$2,981 | \$3,748 | \$767 | 26% |
| Investment Return | \$5,360 | \$8,514 | \$2,097 | \$1,195 | (\$902) | -43% |
| Endowment Return | \$344 | \$874 | \$1,063 | \$1,415 | \$352 | 33% |
| Interest on Indebtedness | (\$3,584) | (\$4,596) | (\$6,241) | (\$9,839) | (\$3,598) | 58% |
| Nonoperating Federal Grants | \$10,967 | \$14,290 | \$15,380 | \$15,842 | \$462 | 3% |
| Other Nonoperating Income | \$77 | \$167 | \$165 | \$184 | | |
| Revenue from Stimulus Funds | \$22,662 | \$5,735 | | | | |
| Net Nonoperating Revenues | \$99,879 | \$103,954 | \$91,751 | \$90,345 | (\$1,406) | -2% |
| Income Before Other Revenues, Expenses, Gains, and Losses | \$30,098 | \$24,600 | \$1,456 | (\$5,492) | (\$6,948) | -477% |
| Capital Appropriations | \$1,340 | \$5,463 | \$48,868 | \$26,383 | (\$22,485) | -46% |
| Capital Gifts, Grants and Contracts | \$28,000 | \$1,901 | \$6,615 | \$8,000 | \$1,385 | 21% |
| Capital - Stimulus Funds | | | | | | |
| University Related Transactions | | | | | \$0 | |
| Disposal of Plant Facilities | (\$3,681) | (\$1,004) | (\$973) | (\$1,338) | (\$365) | 38% |
| Other Additions/Deductions | (\$1,676) | \$220 | (\$250) | (\$275) | (\$25) | 10% |
| Total Other Revenues, Expenses, Gains & Losses | \$23,983 | \$6,580 | \$54,260 | \$32,770 | (\$21,490) | -40% |
| Total Increase in Net Assets | \$54,081 | \$31,180 | \$55,716 | \$27,278 | (\$28,438) | -51% |
| NET ASSETS | | | | | | |
| Net Assets at Beginning of Year | \$128,208 | \$182,289 | \$213,469 | \$269,185 | \$55,716 | 26% |
| Net Assets at End of Year | \$182,289 | \$213,469 | \$269,185 | \$296,463 | \$27,278 | 10% |

FY 2013 University Operating Budget – T12-037

Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$123,475 | \$131,440 | \$144,952 | \$161,698 | \$16,746 | 11.6% |
| Employee Fringe Benefits | \$25,298 | \$31,857 | \$39,859 | \$40,314 | \$455 | 1.1% |
| Student Aid | \$4,996 | \$8,413 | \$8,784 | \$9,027 | \$243 | 2.8% |
| Utilities | \$9,138 | \$9,035 | \$8,369 | \$9,639 | \$1,270 | 15.2% |
| Supplies and Other Services | \$63,004 | \$71,860 | \$76,866 | \$78,355 | \$1,489 | 1.9% |
| Depreciation | \$14,357 | \$16,085 | \$18,130 | \$22,412 | \$4,282 | 23.6% |
| TOTAL | \$240,268 | \$268,690 | \$296,960 | \$321,445 | \$24,485 | 8.2% |

***Total** should equal total Operating Expenses from SRECNA

FY 2013 University Operating Budget – T12-037

Table 3
University of Massachusetts
Lowell Campus
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | 415.5 | 429.5 | 471.2 | 506.0 | 34.8 | 7.4% |
| Professional Staff | 378.3 | 399.5 | 443.7 | 461.7 | 18.0 | 4.1% |
| Classified Staff | 170.0 | 177.0 | 200.0 | 218.0 | 18.0 | 9.0% |
| Subtotal, State Funded | 963.8 | 1,006.0 | 1,114.9 | 1,185.7 | 70.8 | 6.4% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | 7.0 | 3.4 | 5.0 | 5.0 | 0.0 | 0.0% |
| Professional Staff | 57.0 | 58.1 | 46.4 | 50.0 | 3.6 | 7.8% |
| Classified Staff | 20.0 | 15.0 | 14.0 | 1.0 | (13.0) | -92.9% |
| Subtotal, Non-State Funded | 84.0 | 76.5 | 65.4 | 56.0 | (9.4) | -14.4% |
| Total Unrestricted/Designated | 1,047.8 | 1,082.5 | 1,180.3 | 1,241.7 | 61.4 | 5.2% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | 9.0 | 9.0 | 11.7 | 11.0 | (0.7) | -6.0% |
| Professional Staff | 116.0 | 112.0 | 127.8 | 128.0 | 0.2 | 0.2% |
| Classified Staff | 0.0 | 0.0 | 2.0 | 2.0 | 0.0 | 0.0% |
| Subtotal, Grant Funded | 125.0 | 121.0 | 141.5 | 141.0 | (0.5) | -0.4% |
| OTHER RESTRICTED POSITIONS (TURI) | | | | | | |
| Faculty | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Professional Staff | 11.7 | 12.0 | 11.3 | 12.4 | 1.1 | 9.7% |
| Classified Staff | 0.0 | 0.0 | 0.0 | 1.0 | 1.0 | 0.0% |
| Subtotal, Other Restricted Funds | 11.7 | 12.0 | 11.3 | 13.4 | 2.1 | 18.6% |
| Total Restricted | 136.7 | 133.0 | 152.8 | 154.4 | 1.6 | 1.0% |
| TOTAL UNRESTRICTED AND RESTRICTED | 1,184.5 | 1,215.5 | 1,333.1 | 1,396.1 | 63.0 | 4.7% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct).

Table 4
University of Massachusetts
Lowell Campus
Fiscal Year 2013 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

| | UNDERGRADUATE | | GRADUATE | | TOTAL | |
|----------------------------|---------------|--------------|--------------|--------------|---------------|---------------|
| | HC | FTE | HC | FTE | HC | FTE |
| Fall 2012 projected | 12,257 | 9,965 | 4,257 | 2,661 | 16,514 | 12,626 |
| Fall 2011 | 11,729 | 9,568 | 3,702 | 2,299 | 15,431 | 11,867 |
| Fall 2010 | 11,260 | 9,190 | 3,426 | 2,155 | 14,686 | 11,345 |
| Fall 2009 | 10,548 | 8,472 | 3,054 | 1,901 | 13,602 | 10,373 |

*Source: Fall 2009, Fall 2010, and Fall 2011 figures from Student Profile

OPERATING BUDGET

for Fiscal Year 2013

MEDICAL SCHOOL



**UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL
FY 2013 Operating Budget Narrative**

The FY2013 operating budget for the University of Massachusetts Medical School (UMMS) enables progress on critical academic, facilities and research investments in support of the strategic plan, while continuing to reflect a realistic view of the fiscal challenges affecting the University, the state and the country. In anticipation of constrained resources, campus leadership continues to pursue thoughtful business and operations redesign activities that will ensure support for the core mission, while taking into account a fiscal environment that projects modest operating margins at the campus level.

Continued Success for the Strategic Plan

The UMMS Academic Health Sciences Center Strategic Plan 2009-2014 continues to serve as a highly effective roadmap for UMMS and its role in the future of health sciences research, education and service delivery. The strategic plan identifies opportunities to redesign the model of health care delivery; build the workforce of the future; create and sustain an ideal learning environment; translate research discovery into medical practice; become a more highly effective and efficient business organization; and make a substantive impact on our region, the commonwealth and the world. These goals are closely aligned with the University's strategic priorities.

The FY2013 operating budget acknowledges that the success of the campus in meeting its strategic priorities is closely tied to establishing and meeting budget priorities. In a budget year that will see several important milestones on campus, including the opening of the Albert Sherman Center, UMMS has crafted an operating budget that supports mission-critical programs and activities, while establishing clear spending priorities for scarce resources, even at a time when external budgetary factors such as uncertain federal funding and reduced state support present notable challenges.

Redesign the model of health care delivery

UMMS will continue its significant progress in redesigning health care delivery models in several important areas, including medical education and physician training; clinical research training and trial design; health policy and health services research and programming that improves service delivery and access; and investing, with clinical partner UMass Memorial Health Care, in the faculty and support infrastructure that underpins this important work. The UMass Center for Clinical and Translational Science, supported by funding from the NIH, and the Department of Quantitative Health Sciences are centerpieces for how academic work can support clinical care redesign.

Building the workforce of the future and creating an ideal learning environment

FY2013 will be one of the most significant years in UMMS history for health sciences education and training, as strategic investments in the Sherman Center and related instructional technologies and campus infrastructure come online. With class expansion initiatives fully implemented and the redesigned medical school curriculum in place, a visionary emphasis on learner-centered and lifelong education will be in place. Recent investments in curriculum, facilities and technology were amply noted during a milestone accreditation visit; combined with careful programmatic and

enrollment adjustments in the Graduate School of Biomedical Sciences and the Graduate School of Nursing, UMMS will fulfill its mission of responsive, accessible and high quality health sciences education.

A campus-wide review of student fees, enrollment and program expenses continues, in recognition of the need for resource maximization, especially in mission-critical areas; adjustments going forward will be prudent and strategic. UMMS has been careful to maintain its reputation as uniquely affordable, while still being responsible to its mission. Fee increase plans have been targeted and modest, with key input from representative bodies of the faculty and students, with both groups supportive of a balance between accessibility and programmatic investment. UMMS continues its leading role in the implementation of a baccalaureate to MD pathway program that complements existing programs that seek to develop learning opportunities for underrepresented populations. In addition to its efforts to attract a diverse student body, UMMS has made key investments in faculty development and advancement programs, including programs that support development of opportunities for women and minorities.

When the Albert Sherman Center opens in late 2012, the new learner-centered curriculum will be embodied in student-centric learning communities that will encourage student responsibility for their own educational progress; improve opportunities for longitudinal, tiered and formative student assessment; and support an environment that will inspire students to excel in innovation, discovery and leadership.

UMMS continues to attract highly capable students to the School of Medicine (SOM) as judged by admission test scores, residency match results, and performance on licensing exams, and SOM graduates continue to rank the educational experience as highly satisfactory; the Graduate School of Nursing continues to evolve as the landscape of advanced practice nursing changes: graduates from the Doctorate of Nursing Practice degree program, the Graduate Entry Pathway and the traditional doctoral program are meeting important needs in areas of practice, education and research for the campus and the region.

The Graduate School of Biomedical Sciences expects to continue to attract a highly regarded applicant pool, and its reputation continues to grow, attributable, in part, to the achievement and accessibility of the research faculty.

While undergoing almost complete curricular change over the past decade, the environment that supports both teachers and learners in the educational community at UMMS has grown in accomplishment and achievement, indicating the importance, even in times of scarce resources, of strategic investment.

Translate research discoveries into practice

UMMS has reinforced its commitment to the translation of laboratory discovery to medical practice and this is embodied in the programmatic plans for the Sherman Center. The campus strategy emphasizes a cluster-based approach to research support and encourages investigators from a number of departments and programs to organize around key research modalities. By doing so, the path to innovative and effective human therapies is potentially more efficient and optimizes recruiting faculty in key areas who may have research funding in hand or in the pipeline and whose work matches basic science research strengths with clinical research programs.

While UMMS faculty have continued to be highly successful in attracting research funding from a wide variety of sources, the current fiscal environment, especially that facing federal agencies such

as the National Institutes of Health, means that prudent decisions about programmatic support remain fundamental to financial stability. An analysis of a predicted NIH budget suggests that even with funding success at the rate of the current year, UMMS can expect, at best, a decrease in real NIH research dollars. The FY2013 budget includes completion and fit out of the Albert Sherman Center, the future home to what will eventually be more than 140 faculty investigators in the Advanced Therapeutics Cluster, Bioinformatics and Integrative Biology, Quantitative Health Sciences, Systems Biology, Pathology and Neurotherapeutics. Design of the Sherman Center takes into account the future needs of the campus and its research and educational programs, and faculty support of the plan has been enthusiastic and consistent, in recognition of the crucial role the Sherman Center will play in the campus mission.

Become a highly effective and efficient business organization

Declines in core state support for higher education and limits on projected growth in research funding have been apparent in the current economic cycle and represent several important, if not unique, challenges for financial planning. The end of federal stimulus funding, which supported more than \$25 million in UMMS research activities, while anticipated, coincided with financial pressure on many programmatic partners in state and municipal government, and on health and human service agencies. These financial challenges speak to the importance of consistent and substantive improvement in business practice and the need for operational efficiency. A successful and viable academic health sciences center must be structured to support over the long term its academic, service and research missions.

This recognition, shared with clinical partner UMass Memorial, has been the catalyst for a number of process improvements since the implementation of the strategic plan, and serves as the basis for a continuing and ongoing evaluation of business processes and operations. Because a significant portion of the UMMS operating budget, such as research funding and Commonwealth Medicine contracts for services, are restricted and thus essentially self-balancing, the operating budget must depend on increases in revenue and efficiencies in areas such as central administrative operations to counterbalance decreases in federal and state core support.

By focusing on areas that would result in a net improvement to the bottom line, and also were sustainable, data-driven and measurable, these initiatives required both business process analysis and aggressive benchmarking to other institutions. Targeted reductions for FY2013 and FY2014 include all areas of centralized services and administrative areas; targeted revenue increases were benchmarked to peer institutions. Importantly, the campus continues to make strategic long term investments that pay dividends over time, such as power plant improvements and energy efficiency projects.

Financial Plan & Assumptions

These ongoing operational efficiency gains and revenues have been incorporated into the financial plans of UMMS, resulting in a sustainable operating budget. The campus is committed to investments in the core missions of the institution including infrastructure improvements and recruitment of targeted faculty. As a result, the financial plan projects deficits for FY2013 and FY2014, excluding capital funding, followed by steady improvement to a \$ 16.7 million surplus in FY2017. The plan continues the prudent use of campus reserves over the next several years to sustain planned investments, including the Sherman Center. As a result of ongoing improvements in operational efficiencies and cost reductions, this is projected to occur without a net depletion of

institutional reserves. The financial cushion indicator for UMMS is projected to remain above 22%, and is estimated to return to its historical level near or above 30% in 2016.

Revenues are projected to grow more slowly, essentially keeping pace with inflation, over the next two years after which they will increase at a greater rate in the following three years. The state maintenance appropriation is projected at a modest growth of 2% per year.

Federal grant revenues are projected to grow moderately at best, bolstered somewhat by the additional revenue generated by newly recruited faculty who bring existing extramural funding. FY2013 shows an additional jump due to the federal funding received by Commonwealth Medicine under the New England States Collaborative for Insurance Exchange Systems (NESCIES). The net effective facilities and administrative (F&A) rate on federal grants is projected to increase over the next five years as we see the impact of the recently concluded successful rate negotiations. The federal rate will grow from the current 64.5% in FY2012 to 67.5% in FY 2015, resulting in the net effective rate increasing from 47.0% to 49.2% over the five years.

Commonwealth Medicine will see a jump in unrestricted revenue in FY2013 due to additional funding through a state Interagency Service Agreement (ISA) related to the NESCIES grant, with modest inflationary growth projected after that. With a corresponding increase in expenses supporting the ISA, the net margin contribution by CWM to the School will remain steady at current levels.

Revenue from student fees is projected to increase with the implementation of the second year of the 3-year plan for fee changes begun last year (pending Board of Trustee approval). Although the monies generated from student fees do not represent a large percentage of the institution's total revenue, they are viewed as a critical source of funds that will support continued investment in the development of the new curriculum and the support features required to maintain an excellent educational experience for UMMS students.

The financial plan incorporates expense reductions, as well as other efforts to streamline processes, improve efficiencies and reduce costs. Last year, approximately 150 positions were eliminated (a reduction of 116 FTEs). The plan includes very modest pay increases of 2% for FY2013, delayed an additional three months, to be effective April 1. Future salary increases are assumed at 2% per year. To support the expanding research programs, the recruitment of new faculty positions are reflected in the plan with spending of \$6 million to \$12 million per year for salary support and start-up costs for new and recently hired faculty.

Further, the plan includes approximately \$25 million in FY2013 and approximately \$15 million per year thereafter for capital spending on deferred maintenance and renovations as well as research, IT and other equipment.

The Albert Sherman Center will be completed in FY2013 at a total cost of \$442 million, including necessary power plant improvements and a 1,440 space parking garage. Of that figure, approximately \$352 million was funded from bonds and \$90 million from Massachusetts Life Sciences Center funding.

The borrowings to fund these capital expenditures are all in place, and, combined with the reduced expenses in FY2012 due to the reduction in drug spend expenditures associated with the now

divested MedMetric Health Partners (\$222 million), will result in the debt service ratio peaking at 5.1%, and then declining to 4.8% in FY2017 as the expense base grows.

Making a difference in the world

As UMMS looks to FY2013 and beyond, the importance of its mission can hardly be overstated; as a part of a great University and as a leading academic health sciences institution, UMMS has made investments in the student learning environment; in the faculty; in the research enterprise; in public service programs. But more broadly, UMMS has invested in its mission of taking research discoveries, health sciences students, and the fruits of its intellectual endeavors and bringing them to bear on the most challenging health problems the world faces.

FY 2013 University Operating Budget – T12-037

Table 1
 University of Massachusetts
Medical School
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
 Fiscal Year 2013 Operating Budget Statement
 (in thousands of dollars)

| | | | FY2013 BUDGETED | | | |
|--|--------------------|--------------------|---|---------------------------|---------------------|-------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget-Accrual Basis | FY12 to FY13 Change | |
| REVENUES | | | | | | |
| Operating Revenues | | | | | | |
| Tuition and Fees | | | | | | |
| Scholarship allowance | | | | | | |
| Tuition and Fees (net of scholarship allowances) | \$11,322 | \$12,084 | \$12,623 | \$13,657 | \$1,034 | 8% |
| Federal Grants and Contracts | \$165,976 | \$193,763 | \$195,921 | \$214,464 | \$18,543 | 9% |
| State Grants and Contracts | \$33,929 | \$29,653 | \$27,780 | \$26,849 | -\$931 | -3% |
| Local Grants and Contracts | \$0 | \$0 | \$0 | \$0 | | |
| Private Grants and Contracts | \$46,843 | \$49,037 | \$30,127 | \$36,342 | \$6,215 | 21% |
| Sales & Service, Educational | \$5,744 | \$6,159 | \$11,091 | \$11,343 | \$252 | 2% |
| Auxiliary Enterprises | \$29,244 | \$25,909 | \$37,317 | \$26,722 | -\$10,595 | -28% |
| Other Operating Revenues: | | | | | | |
| Sales & Service, Independent Operations | \$50,442 | \$52,619 | \$51,439 | \$45,994 | -\$5,445 | -11% |
| Sales & Service, Public Service Activities | \$596,976 | \$670,557 | \$434,811 | \$442,248 | \$7,437 | 2% |
| Other | \$45,077 | \$43,152 | \$65,886 | \$60,883 | -\$5,003 | -8% |
| Total Operating Revenues | \$985,553 | \$1,082,933 | \$866,995 | \$878,502 | \$11,507 | 1% |
| EXPENSES | | | | | | |
| Operating Expenses | | | | | | |
| <i>Educational and General</i> | | | | | | |
| Instruction | \$49,141 | \$47,825 | \$47,009 | \$47,305 | \$296 | 1% |
| Research | \$211,362 | \$226,295 | \$210,292 | \$236,813 | \$26,521 | 13% |
| Public Service | \$31,990 | \$27,374 | \$28,376 | \$28,555 | \$179 | 1% |
| Academic Support | \$12,913 | \$13,951 | \$13,162 | \$13,244 | \$82 | 1% |
| Student Services | \$4,047 | \$4,076 | \$3,789 | \$3,813 | \$24 | 1% |
| Institutional Support | \$52,080 | \$59,515 | \$46,176 | \$46,465 | \$289 | 1% |
| Operation and Maintenance of Plant | \$47,375 | \$39,565 | \$42,344 | \$42,611 | \$267 | 1% |
| Depreciation and Amortization | \$40,524 | \$45,183 | \$51,004 | \$61,908 | \$10,904 | 21% |
| Scholarships and Fellowships | \$0 | \$0 | \$0 | \$0 | | |
| <i>Auxiliary Enterprises</i> | \$26,373 | \$24,598 | \$24,119 | \$24,271 | \$152 | 1% |
| <i>Other Expenditures</i> | | | | | | |
| Independent Operations | \$58,437 | \$41,911 | \$57,398 | \$56,042 | -\$1,356 | -2% |
| Public Service Activities | \$538,880 | \$626,981 | \$376,331 | \$377,182 | \$851 | 0% |
| Total Operating Expenses | \$1,073,122 | \$1,157,274 | \$900,000 | \$938,209 | \$38,209 | 4% |
| Operating Income/(Loss) | -\$87,569 | -\$74,341 | -\$33,005 | -\$59,707 | -\$26,702 | -81% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | | |
| Federal Appropriations | \$0 | \$0 | \$0 | \$0 | | |
| State Appropriations | \$47,132 | \$43,109 | \$40,375 | \$39,890 | -\$485 | -1% |
| Gifts | \$13,887 | \$8,669 | \$10,000 | \$18,500 | \$8,500 | 85% |
| Investment Return | \$23,341 | \$23,082 | \$8,116 | \$17,218 | \$9,102 | 112% |
| Endowment Return | \$1,435 | \$2,537 | \$2,101 | \$2,167 | \$66 | 3% |
| Interest on Indebtedness | -\$13,212 | -\$22,741 | -\$18,277 | -\$35,311 | -\$17,034 | 93% |
| Other Nonoperating Income | \$1,055 | \$1,458 | \$105 | \$306 | \$201 | 191% |
| Revenue from Stimulus Funds* | \$0 | \$2,761 | \$0 | \$0 | \$0 | |
| Net Nonoperating Revenues | \$73,638 | \$58,875 | \$42,420 | \$42,770 | \$350 | 1% |
| Income Before Other Revenues, Expenses, Gains, and Losses | -\$13,931 | -\$15,466 | \$9,415 | -\$16,937 | -\$26,352 | 280% |
| Capital Appropriations | \$2,610 | \$999 | \$31,250 | \$30,000 | -\$1,250 | -4% |
| Capital Grants and Contracts | \$13,243 | \$25,802 | \$0 | \$0 | | |
| University Related Transactions | \$0 | \$0 | \$0 | \$0 | | |
| Disposal of Plant Facilities | -\$1,729 | -\$2,693 | \$0 | \$2,000 | | |
| Contributions for Capital Expenditures | \$1,810 | \$1,029 | \$0 | \$0 | | |
| Gain from Sale of Discontinued Operations | \$0 | \$9,655 | \$0 | \$0 | | |
| Other Additions/Deductions | \$664 | -\$6,439 | \$0 | \$0 | | |
| Total Other Revenues, Expenses, Gains & Losses | \$16,598 | \$28,353 | \$31,250 | \$32,000 | \$750 | 2% |
| Total Increase in Net Assets | \$2,667 | \$12,887 | \$40,665 | \$15,063 | -\$25,602 | -63% |
| NET ASSETS | | | | | | |
| Net Assets at Beginning of Year | \$591,766 | \$594,433 | \$607,320 | \$647,985 | \$40,665 | 7% |
| Net Assets at End of Year | \$594,433 | \$607,320 | \$647,985 | \$663,048 | \$15,063 | 2% |

* In the audited financial statements, the FY10 stimulus funding will be reduced by \$10.3 million with an equivalent net increase in other revenue sources.

Table 2
University of Massachusetts
Medical School
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| Natural Classification of Expenses | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|---|--------------------|--------------------|------------------|------------------|------------------|------------------|
| Category | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$335,490 | \$343,259 | \$325,655 | \$327,549 | \$1,894 | 0.6% |
| Employee Fringe Benefits | \$69,766 | \$79,172 | \$72,839 | \$72,441 | (\$398) | -0.5% |
| Student Aid | \$1,184 | \$1,303 | \$1,997 | \$1,984 | (\$13) | -0.7% |
| Utilities | \$30,431 | \$31,016 | \$31,643 | \$34,068 | \$2,425 | 7.7% |
| Supplies and Other Services | \$596,696 | \$658,208 | \$417,168 | \$440,652 | \$23,484 | 5.6% |
| Depreciation | \$39,555 | \$44,316 | \$50,698 | \$61,515 | \$10,817 | 21.3% |
| TOTAL | \$1,073,122 | \$1,157,274 | \$900,000 | \$938,209 | \$38,209 | 4.2% |

*Total should equal total Operating Expenses from SRECNA

Table 3
University of Massachusetts
Medical School
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | 70.1 | 86.2 | 89.0 | 89.0 | 0.0 | 0.0% |
| Professional Staff | 252.1 | 222.7 | 227.6 | 228.0 | 0.4 | 0.2% |
| Classified Staff | 145.9 | 115.5 | 111.2 | 111.0 | (0.2) | -0.2% |
| Subtotal, State Funded | 468.1 | 424.4 | 427.8 | 428.0 | 0.2 | 0.0% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | 215.4 | 200.7 | 181.5 | 182.0 | 0.5 | 0.3% |
| Professional Staff | 1,290.3 | 1,365.2 | 1,297.3 | 1,300.0 | 2.7 | 0.2% |
| Classified Staff | 1,048.1 | 1,072.5 | 951.9 | 955.0 | 3.1 | 0.3% |
| Subtotal, Non-State Funded | 2,553.8 | 2,638.4 | 2,430.7 | 2,437.0 | 6.3 | 0.3% |
| Total Unrestricted/Designated | 3,021.9 | 3,062.8 | 2,858.5 | 2,865.0 | 6.5 | 0.2% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | 270.0 | 265.1 | 260.6 | 260.0 | (0.6) | -0.2% |
| Professional Staff | 721.5 | 717.1 | 710.8 | 780.0 | 69.2 | 9.7% |
| Classified Staff | 178.1 | 180.2 | 172.3 | 189.0 | 16.7 | 9.7% |
| Subtotal, Grant Funded | 1,169.6 | 1,162.4 | 1,143.7 | 1,229.0 | 85.3 | 7.5% |
| OTHER RESTRICTED POSITIONS | | | | | | |
| Faculty | 5.4 | 8.1 | 7.4 | 7.0 | (0.4) | -5.4% |
| Professional Staff | 15.9 | 15.2 | 18.7 | 19.0 | 0.3 | 1.6% |
| Classified Staff | 3.5 | 0.3 | 1.5 | 1.0 | (0.5) | -33.3% |
| Subtotal, Other Restricted Funds | 24.8 | 23.6 | 27.6 | 27.0 | (0.6) | -2.2% |
| Total Restricted | 1,194.4 | 1,186.0 | 1,171.3 | 1,256.0 | 84.7 | 7.2% |
| TOTAL UNRESTRICTED AND RESTRICTED | 4,216.3 | 4,248.8 | 4,029.8 | 4,121.0 | 91.2 | 2.3% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct.).

Table 4
University of Massachusetts
Medical School
Fiscal Year 2013 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

| | Graduate | | Med Students | | TOTAL | |
|----------------------------|------------|------------|--------------|------------|--------------|--------------|
| | HC | FTE | HC | FTE | HC | FTE |
| Fall 2012 projected | 680 | 700 | 539 | 539 | 1,219 | 1,239 |
| Fall 2011 | 675 | 692 | 514 | 514 | 1,189 | 1,206 |
| Fall 2010 | 671 | 683 | 487 | 487 | 1,158 | 1,170 |
| Fall 2009 | 622 | 651 | 469 | 469 | 1,091 | 1,120 |

*Source: Fall 2009, Fall 2010, and Fall 2011 figures from Student Profile

OPERATING BUDGET

for Fiscal Year 2013

UNIVERSITY SYSTEM OFFICE
(Office of the President, UITS, UMDI, UMassOnline and
Operations of UMass Building Authority)



University System Office FY 2013 Operating Budget Narrative

INTRODUCTION

The University System Office comprises a number of departments and provides numerous functions and services on behalf of the University. The Office of the President of the University of Massachusetts provides overall leadership to the entire University and its five campuses pursuant to the direction of the Board of Trustees. The Office of the President also oversees the shared services and functions which are centrally organized in the System Office. The following narrative provides descriptions of these functions and services. Operational costs are supported by funds provided by the campuses as well as other miscellaneous revenues.

Office of the President

Primary responsibilities of the Office of the President include: representation of the University to the Governor, Legislature, Executive branch agencies, state agencies, the federal government and other major external constituencies; coordination of strategic planning, academic affairs, management and fiscal affairs, information systems, legal matters, and human resources management; evaluation of the performance of chancellors and campuses; and support for the Board of Trustees. Overall planning, policy development and initiation of University-wide programs are carried out through the Office of the President.

Academic Affairs, Student Affairs and International Relations

The Office of Academic Affairs, Student Affairs and International Relations (AASAIR) provides University-wide oversight and coordination to ensure the quality of the University's students, faculty and programs. Academic assessment and accountability are core functions of the Office. The Office stresses collaboration and cooperation with faculty, Provosts, Librarians, Institutional Research Officers, Vice Chancellors for Student Affairs, Admissions Directors, Chief Research Officers, and International Programs Directors. AASAIR encourages the innovative use of new technologies for research, teaching and service throughout the University and promotes more faculty global research by minimizing or removing impediments to international scholarship and research. AASAIR works with the other Vice Presidential areas and UMass Online, as well as with the state's K-12 enterprise, to review and evaluate proposed and existing programs. To maintain the highest quality, ensure programmatic integrity, and avoid unnecessary duplication, AASAIR supports inter-campus initiatives that leverage the talents and resources of the University for the greatest quality, impact, visibility, and effectiveness. AASAIR represents the interests of the University and serves as a point of engagement for external agencies and organizations (e.g. the Board of Higher Education and the K-12 enterprise, including the STEM initiative). AASAIR works to enhance recruitment of prepared students from all backgrounds by emphasizing the idea that enrollment management is everyone's responsibility. AASAIR activities are also aimed at encouraging more globally competent graduates with the critical tools for recognizing cultural values other than their own.

Office of the Board of Trustees

The Trustees' Office enables the Board to discharge its responsibilities in accordance with its By-Laws and policies and in fulfillment of appropriate laws and statutes of the Commonwealth. The Trustees' Office provides staff services to the Trustees. The responsibilities of this Office include establishing relevant agenda for meetings, preparation of minutes of Board and Committee meetings, providing clerical and editorial help in the writing of reports, and obtaining responses of questions from appropriate officers of the University. Responses to questions may come directly from the President of the University, the Vice President concerned, or the Secretary to the Board of Trustees.

In addition to these functions, the Trustees' Office keeps current records (addresses, business affiliations, etc.) for each Trustee. The Office also makes arrangements for the Board meetings and provides members with dates and schedules.

In general, this Office acts as an agent in Boston for the Trustees and serves as liaison between the Board and the University Administration.

Strategic Communications

The Strategic Communications department in the System Office manages the key functions that are often described under the umbrella of external relations or university advancement, with the goal of positioning the University of Massachusetts as the premier public higher education institution in Massachusetts and among the top public university systems in the United States. Its major activities include: development and corporate relations, strategic communications and marketing, community affairs, alumni affairs, media relations and advertising, as well as playing an important role in shaping the business and operations of the Office of the President. The department works closely with staff of the System Office and campus leadership on initiatives related to academic and student affairs, administration and finance, international relations, economic development and athletics.

Government Relations

The Office of Government Relations works with the University President, Trustees, Chancellors, campus-based government relations and alumni relations staff, students and student organizations, the faculty and alumni/ae to inform both state and federal officials on issues of importance to the entire University. The Office works with these groups to craft and communicate a strategic message for the University.

Economic Development

The Office of Economic Development serves as a central coordinator and catalyst for mobilizing the resources of the University in support of our mission to help build the innovation economy of the Commonwealth. The department serves as a focal point for system-wide economic development initiatives, a facilitator of collaborative ventures with industry and state government, and a consultant to campuses on economic development issues. Units in the department include: the Office of Commercial Ventures and Intellectual Property (CVIP); the Massachusetts Technology Transfer Center; and the Donahue Institute (the public service arm of the President's Office). The University's primary economic roles are in five areas: science and technology-based economic development, R&D and technical partnerships with industry, technology commercialization and venture creation, workforce development, and economic research and analysis. Current economic development initiatives include: advocacy for and development of state-wide science & technology initiatives in the life sciences, clean energy and information technology; and expanded efforts to promote entrepreneurship and new venture creation at UMass campuses.

Office of the General Counsel

The Office of the General Counsel is responsible for all legal matters involving the University. It renders legal advice to the Trustees, officers, and employees throughout the University; provides representation in federal and state litigation and in matters pending before federal and state agencies such as the Federal Office of Civil Rights (OCR), the Massachusetts Commission Against Discrimination (MCAD), the Office of Federal Contract Compliance, the State Labor Relations Commission, and many others; reviews or drafts policies and procedures, guidelines, regulations, and contracts; and reviews Trustee agenda items. Advice ranges across a broad spectrum of substantive law, with emphasis in administrative, constitutional, contract, labor relations, and statutory areas. The

Office also approves and supervises outside counsel who are hired by the office for such expertise as patent, taxation, and antitrust law.

Administration & Finance

The Office of Management and Fiscal Affairs under the Vice President for Administration & Finance Areas includes the area of University Controller, Treasurer, University Budget Director, Human Resources, including Labor Relations, and the University Procurement Office. The Vice President works with the campus Chancellors and Vice Chancellors for Administration & Finance to assure that development and implementation of University fiscal and management policies proceed smoothly and enhance the programmatic goals of the University. Staff supports the Board of Trustees Administration & Finance Committee to ensure that the Trustees are fully informed and involved in making policy decisions necessary to preserve the financial, control, and cash integrity of the University. This work includes the coordination and development of University financial and budget documents for presentation to the Trustees. An ongoing part of the University's approach to sound fiscal management will be continued emphasis on clearly maintained fiscal indicators.

Liaison activity with the State's Executive Office for Administration & Finance, Fiscal Affairs Division, the Division of Capital Asset Management, State Comptroller, State Treasurer and the Board of Higher Education fiscal staff is also run through this department. The department works with members of the University community and various state agencies to manage a \$3.1 billion capital financing program. The University response to the state budget, revenue, and expenditure initiatives will continue to require appropriately developed University goals and objectives, negotiation, and resolution.

University Budget Office

The Budget Office serves as central coordinating point for budgeting and reporting activities for the University. It directs the budgeting process by developing and disseminating budget parameters to the five campuses and other components of the University; develops consolidated reports and analyses of budget and other related issues; provides general and specific support to broader administrative, management and policy initiatives initiated through the President and the Vice President; and serves as a liaison between the University and state and legislative agencies and other external parties.

The Budget Office works with the campuses to integrate strategic financial planning activities with ongoing operating budget, capital and other reporting activities for senior management and the Board of Trustees. The Budget Office also reviews University policies that have budgetary impact, with the goal of streamlining regular budget reporting to the Board.

University Controller's Office

The major functions of the University Controller's Office (UCO) include: coordination of the University's general purpose financial audits as well as the audit of federal funds; development and production of the University Financial Statements; financial policy development and financial accounting for the University System Office. The University Controller's Office also performs the accounting function for activities managed centrally for the University campuses. The University Controller's Office is the liaison between the Office of the State Comptroller and the University regarding all accounting and various payroll related activities.

UCO coordinates the University's general purpose financial audit, prepares the Annual Financial Report, and directs the development of the general ledger and financial reporting structures for the Peoplesoft financial records system, and continues to develop and review University indicators of financial health. In addition, UCO coordinates between the Commonwealth and the University with regard to upgrades or implementations

impacting the Commonwealth's MMARS (Massachusetts Management Accounting and Reporting System) system.

Human Resources & Labor Relations

The Office of Human Resources provides leadership and coordination for the University in the full range of human resources functions, including overall policy development, labor relations, compensation and benefits, training, and affirmative action/equal opportunity. Acting on behalf of the Board of Trustees, which is the statutory employer of record, the Office conducts or supervises negotiations with nearly forty collective bargaining units representing more than 10,000 employees at the five campuses. It also oversees the development of policies affecting the benefits and terms and conditions of employment for exempt employees across the University.

University Treasurer's Office

The University Treasurer's Office is responsible for many finance-related activities within the University. The functions performed by the Treasurer's Office are not duplicated at the campuses, resulting in an operation that is very centralized and efficient. All operational responsibilities of the University Treasurer's Office are undertaken for the benefit of the campuses and the University with an emphasis on quality, efficiency, and productivity.

The functions of the University Treasurer's Office include: cash management, which encompasses the management and oversight of all operating cash investments for the University, the management of all banking relationships, the reconciliation of all bank accounts, as well as management of the University's credit card and ATM programs.

The Treasurer's Office also maintains responsibility for risk assessment and insurance management, tax reporting and tax policy development, optional employee benefits including the tax sheltered annuity and deferred compensation programs, debt management including the administration of the University's Lease Pool as well as being primary contract signatory authority for the University.

The services provided by the University Treasurer's Office enhance the integrity of the University's financial systems by allowing the campuses to receive the benefits of consolidated systems and processes. Cost savings are generated through centralized management. In addition to cost savings, processing time is focused and efficient.

University Procurement Office

Historically, the President's Office Purchasing Office has focused on the purchase of goods, services, and public bidding for all departments of the University system office. As an outgrowth of the Trustee Efficiency Task Force, the system office now has a Senior Director of Enterprise Procurement. This position is responsible for generating savings and efficiencies through university wide contracting. Additionally, the office is responsible for spend analytics, purchasing policy and guidelines compliance, and the adoption and use of strong purchasing tools and services.

University Internal Audit

The University Internal Audit department is responsible for the coordination and monitoring of all audit matters at the five campuses and President's office, including internal audits, external contracted audits, and those carried out by the Office of the State Auditor and various federal and state agencies. The department serves the President, the

Board of Trustees, and campus management by determining levels of compliance with University policy and procedure, federal and state regulations, and by evaluating the adequacy of internal controls through a program of scheduled and unscheduled audits. The department's goal is to offer independent and objective observations to management to assist in improving the control environment.

Some of the department's services involve supporting specific campus requests, responding to allegations of fraud and financial wrongdoing, and co-sourcing with outside independent audit firms when necessary. All reported results and related audit activity are communicated in full to the Audit Committee of the Board of Trustees.

UMassOnline

Headquartered at the University's Collaborative Services Facility in Shrewsbury, UMassOnline is the University's online education consortium. UMassOnline enables the University to provide wider access to its educational programs via the Internet, while increasing revenues to support its campuses. UMassOnline and the Continuing Education units at the five campuses collaboratively generate tuition revenue of \$56.2 million and support 45,800 enrollments.

UMassOnline's mission continues to be: 1) to provide access to a University of Massachusetts education to students who are unable to attend one of the campuses; 2) to serve community needs for education in critical areas of economic development, health and welfare and education; and 3) to raise revenues for support of students, faculty, teaching, outreach, and research.

To this end, the UMassOnline team supports the campuses to develop, grow and market online programs by: 1) funding the development of new online programs; 2) providing faculty support, development and training; 3) providing technology support by creating and maintaining a robust platform for online learning; and 4) marketing programs to position UMass as a high-quality national player in online higher education and increase online course and program enrollments in Massachusetts, New England, national and international markets.

University Information Technology Services

University Information Technology Services (UITS) provides institutional leadership in developing and supporting high-quality, innovative solutions to the business and information needs of the administrative staff, faculty, students and other customers of the University. A wide-range of information resources and information technology tools are supplied to the administrative and academic communities via centralized management of administrative computer and networked communications facilities. Centralized application development, production support, network management, resource allocation and planning are provided to deliver data, print, file transfer and customer services.

UITS is a leader in the provision of statewide networking services to educational and other public sector clients through the enhancement and expansion of the Massachusetts Information Turnpike Initiative (MITI) network. The University invested in several enhancements to the Massachusetts Information Turnpike Initiative (MITI) network over the past several years, upgrading aging core routers and UMass campus edge routers.

UITS supports and manages the ongoing development and enhancement of the centralized administrative and financial systems, the UMassOnline e-learning platform, and other systems that facilitate students and employees in gaining access to data through easy to use, state-of-the-art technology. UITS will continue to enhance and expand the statewide MITI network that connects all five campuses and the President's Office through additional fiber connections and technology upgrades. The network will continue to support administrative computing services, Internet access services for state and community colleges, UMass and other public libraries and state agencies, and advance the Commonwealth's distance learning agenda.

Table 1
University of Massachusetts
University System Office
(Office of the President, UITS, UMDI, UMassOnline and operations of UMass Building Authority)
Fiscal Year 2013 Operating Budget Statement
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
(in thousands of dollars)

| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY2013 BUDGETED | | |
|--|-----------------|-----------------|---|------------------------------|---------------------|--------------|
| | | | | FY13 Budget-Accrual Basis | FY12 to FY13 Change | |
| REVENUES | | | | | | |
| Operating Revenues | | | | | | |
| Tuition and Fees (net of scholarship allowances) | \$6,471 | \$5,599 | \$6,121 | \$6,244 | \$122 | 2% |
| Federal Grants and Contracts | \$3,420 | \$3,906 | \$4,062 | \$4,103 | \$41 | 1% |
| State Grants and Contracts | \$2,205 | \$2,632 | \$2,530 | \$2,606 | \$76 | 3% |
| Local Grants and Contracts | \$169 | \$169 | \$176 | \$180 | \$4 | 2% |
| Private Grants and Contracts | \$4,423 | \$5,170 | \$5,687 | \$5,801 | \$114 | 2% |
| Sales & Service, Educational | \$1,112 | \$1,623 | \$1,413 | \$1,427 | \$14 | 1% |
| Auxiliary Enterprises | \$0 | \$0 | | | \$0 | #DIV/0! |
| Recovery of Indirect Costs | \$0 | \$0 | | | \$0 | #DIV/0! |
| Allocation from Campuses | \$53,861 | \$53,604 | \$56,892 | \$59,879 | \$2,987 | 5% |
| Other Operating Revenues: | \$0 | \$0 | | | | |
| Sales & Service, Independent Operations | \$0 | \$0 | | | | |
| Sales & Service, Public Service Activities | \$0 | \$0 | | | | |
| Other | \$9,737 | \$10,529 | \$8,950 | \$9,039 | \$89 | 0% |
| Total Operating Revenues | \$81,398 | \$83,232 | \$85,832 | \$89,278 | \$3,447 | 4% |
| EXPENSES | | | | | | |
| Operating Expenses | | | | | | |
| Educational and General | | | | | | |
| Instruction | \$13,541 | \$13,165 | \$12,655 | \$13,287 | \$633 | 5% |
| Research | \$3,062 | \$3,134 | \$3,150 | \$3,276 | \$126 | 4% |
| Public Service | \$863 | \$1,577 | \$1,395 | \$6,395 | \$5,000 | 358% |
| Academic Support | \$0 | \$0 | | | \$0 | 0% |
| Student Services | \$0 | \$0 | | | | |
| Institutional Support | \$46,059 | \$50,022 | \$52,492 | \$56,992 | \$4,500 | 9% |
| Operation and Maintenance of Plant | \$6,515 | \$5,537 | \$6,580 | \$6,383 | -\$197 | 0% |
| Depreciation and Amortization | \$7,452 | \$7,326 | \$7,399 | \$7,177 | -\$222 | -3% |
| Scholarships and Fellowships | \$4 | \$6 | \$6 | \$6 | \$0 | 0% |
| Auxiliary Enterprises | | | | | | |
| Other Expenditures | | | | | | |
| Independent Operations | | | | | | |
| Public Service Activities | | | | | | |
| Other | | | | | | |
| Total Operating Expenses | \$77,496 | \$80,767 | \$83,677 | \$93,516 | \$9,839 | 12% |
| Operating Income/(Loss) | \$3,902 | \$2,465 | \$2,154 | -\$4,238 | -\$6,393 | -297% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | | |
| Federal Appropriations | | | | | | |
| State Appropriations | \$10,328 | \$10,926 | \$11,254 | \$11,816 | \$563 | 5% |
| Gifts | \$0 | \$0 | | | \$0 | #DIV/0! |
| Investment Return | \$9,542 | \$7,983 | \$5,588 | \$5,700 | \$112 | 2% |
| Endowment Return | \$144 | \$193 | \$201 | \$207 | \$6 | 3% |
| Interest on Indebtedness | -\$1,402 | -\$891 | -\$918 | -\$872 | \$46 | -5% |
| Interest Income | \$0 | \$0 | | | \$0 | #DIV/0! |
| Other Nonoperating Income | \$33 | \$17 | \$255 | \$200 | -\$55 | -22% |
| Revenue from Stimulus Funds* | | | | | \$0 | #DIV/0! |
| Net Nonoperating Revenues | \$18,645 | \$18,228 | \$16,380 | \$17,052 | \$671 | 4% |
| Income Before Other Revenues, Expenses, Gains, and Losses | \$22,547 | \$20,693 | \$18,535 | \$12,813 | -\$5,721 | -31% |
| Capital Appropriations | | | | | | |
| Capital Grants and Contracts | \$1,831 | \$2,100 | \$1,966 | \$900 | | |
| University Related Transactions | | | | | | |
| Disposal of Plant Facilities | -\$99 | \$0 | \$0 | \$0 | \$0 | 0% |
| Expended for Plant | \$0 | \$0 | \$0 | | \$0 | 0% |
| Other Additions/Deductions | \$3,091 | -\$1,080 | -\$759 | -\$797 | -\$38 | 5% |
| Transfers | | | | | \$0 | 0% |
| Total Other Revenues, Expenses, Gains & Losses | \$4,823 | \$1,020 | \$1,206 | \$103 | -\$1,103 | -91% |
| Total Increase in Net Assets** | \$27,370 | \$21,713 | \$19,741 | \$12,916 | -\$6,825 | -35% |
| NET ASSETS | | | | | | |
| Net Assets at Beginning of Year | \$60,392 | \$87,762 | \$109,475 | \$129,216 | \$19,741 | 18% |
| Net Assets at End of Year | \$87,762 | \$109,475 | \$129,216 | \$142,132 | \$12,916 | 10% |

Table 2
University of Massachusetts
University System Office
(Office of the President, UITS, UMDI, UMassOnline)
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$33,629 | \$32,342 | \$33,793 | \$36,327 | \$2,534 | 7.5% |
| Employee Fringe Benefits | \$8,962 | \$9,808 | \$10,837 | \$10,898 | \$61 | 0.6% |
| Student Aid | \$4 | \$6 | \$6 | \$6 | \$0 | 0.0% |
| Utilities | \$2,624 | \$2,501 | \$2,478 | \$3,052 | \$574 | 23.2% |
| Supplies and Other Services | \$24,825 | \$28,784 | \$29,164 | \$36,055 | \$6,891 | 23.6% |
| Depreciation | \$7,452 | \$7,326 | \$7,399 | \$7,177 | (\$222) | -3.0% |
| TOTAL | \$77,496 | \$80,767 | \$83,677 | \$93,516 | \$9,839 | 11.8% |

Table 3
University of Massachusetts
University System Office
(Office of the President, UITS, UMDI, UMassOnline)
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | |
| STATE FUNDED POSITIONS | | | | | |
| Faculty | 0.0 | | | 0.0 | 0.0% |
| Professional Staff | 180.0 | 200.9 | 209.0 | 8.1 | 4.5% |
| Classified Staff | 10.0 | 3.0 | 7.0 | 4.0 | 40.0% |
| Subtotal, State Funded | 190.0 | 203.87 | 216.0 | 12.1 | 6.4% |
| NON-STATE FUNDED POSITIONS | | | | | |
| Faculty | 0.0 | | | 0.0 | 0.0% |
| Professional Staff | 102.0 | 103.0 | 107.8 | 4.8 | 4.7% |
| Classified Staff | 2.1 | 1.1 | 0.7 | (0.4) | 0.0% |
| Subtotal, Non-State Funded | 104.1 | 104.1 | 108.5 | 4.4 | 4.2% |
| Total Unrestricted/Designated | 294.1 | 308.0 | 324.5 | 16.5 | 5.6% |
| RESTRICTED FUNDS | | | | | |
| GRANT FUNDED POSITIONS | | | | | |
| Faculty | 0.0 | | | 0.0 | 0.0% |
| Professional Staff | 61.4 | 54.8 | 46.0 | (8.8) | 0.0% |
| Classified Staff | 4.8 | 2.9 | 2.0 | (0.9) | 0.0% |
| Subtotal, Grant Funded | 66.2 | 57.7 | 48.0 | (9.7) | 0.0% |
| OTHER RESTRICTED POSITIONS | | | | | |
| Faculty | | | | 0.0 | 0.0% |
| Professional Staff | | | | 0.0 | 0.0% |
| Classified Staff | | | | 0.0 | 0.0% |
| Subtotal, Other Restricted Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Total Restricted | 66.2 | 57.7 | 48.0 | (9.7) | 0.0% |
| TOTAL UNRESTRICTED AND RESTRICTED | 360.3 | 365.6 | 372.5 | 6.9 | 1.9% |

OPERATING BUDGET

for Fiscal Year 2013

UNIVERSITY INFORMATION TECHNOLOGY SERVICES



**UNIVERSITY OF MASSACHUSETTS
UNIVERSITY INFORMATION TECHNOLOGY SERVICES
FY 2013 Operating Budget Narrative**

University Information Technology Services (UITS) provides institutional leadership in developing and supporting high-quality, innovative solutions to the business and information needs of the administrative staff, faculty, students and other customers of the University. A wide-range of information resources and information technology tools are supplied to the administrative and academic communities via centralized management of administrative computer and networked communications facilities. Centralized application development, production support, network management, resource allocation and planning are provided to deliver data, print, file transfer and other IT customer services.

UITS provides both technical and strategic IT guidance and support related to the major centralized ERP systems at the university, including PeopleSoft Financials, Human Capital Management, Student Systems and the Advancement system. Major goals in this area include providing current and timely software updates, responsive technical assistance and routine maintenance while minimizing both implementation and ongoing operating costs.

UITS supports and manages the ongoing development of the UMassOnline e-learning platform. Acting as a service provider to UMassOnline, UITS supports the Blackboard Vista learning management system. Through this web-based system, UMassOnline courses can be accessed anywhere in the world, at any time. UITS also provides instrumental assistance to UMassOnline in enhancing its web marketing portal.

UITS is a leader in the provision of statewide networking services to educational and other public sector clients through the enhancement and expansion of the Massachusetts Information Turnpike Initiative (MITI) network. UITS will continue to enhance and expand the statewide MITI network that connects all five campuses and the President's Office through additional fiber connections and technology upgrades. The network will continue to support administrative computing services, Internet access services for state and community colleges, UMass and other public libraries and state agencies, and advance the Commonwealth's distance learning agenda.

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Information Technology Services
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2013 Operating Budget Statement
(in thousands of dollars)

| | FY2013 BUDGETED | | | | |
|--|-----------------|-----------------|---|---------------------------|---------------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget-Accrual Basis | FY12 to FY13 Change |
| REVENUES | | | | | |
| Operating Revenues | | | | | |
| Tuition and Fees | | | | | |
| Scholarship allowance | | | | | |
| Tuition and Fees (net of scholarship allowances) | | | | | |
| Federal Grants and Contracts | | | | | |
| State Grants and Contracts | | | | | |
| Local Grants and Contracts | | | | | |
| Private Grants and Contracts | | | | | |
| Sales & Service, Educational | | | | | |
| Auxiliary Enterprises | | | | | |
| Other Operating Revenues: | | | | | |
| Sales & Service, Independent Operations | \$2,571 | \$2,559 | \$2,671 | \$2,671 | \$0 0% |
| Sales & Service, Public Service Activities | | | | | |
| Other | \$32,177 | \$29,743 | \$31,348 | \$35,217 | \$3,869 12% |
| Total Operating Revenues | \$34,748 | \$32,302 | \$34,019 | \$37,888 | \$3,869 11% |
| EXPENSES | | | | | |
| Operating Expenses | | | | | |
| Educational and General | | | | | |
| Instruction | | | | | |
| Research | | | | | |
| Public Service | | | | | |
| Academic Support | | | | | |
| Student Services | | | | | |
| Institutional Support | \$31,893 | \$30,416 | \$31,348 | \$35,217 | \$3,869 12% |
| Operation and Maintenance of Plant | | | | | |
| Depreciation and Amortization | | | | | |
| Scholarships and Fellowships | | | | | |
| Auxiliary Enterprises | | | | | |
| Other Expenditures | | | | | |
| Independent Operations | \$2,186 | \$2,562 | \$2,632 | \$2,845 | \$213 8% |
| Public Service Activities | | | | | |
| Total Operating Expenses | \$34,079 | \$32,978 | \$33,980 | \$38,062 | \$4,082 12% |
| Operating Income/(Loss) | \$669 | -\$676 | \$39 | -\$174 | -\$213 -546% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | |
| Federal Appropriations | | | | | |
| State Appropriations | | | | | |
| Gifts | | | | | |
| Investment Return | | | | | |
| Endowment Return | | | | | |
| Interest on Indebtedness | | | | | |
| Other Nonoperating Income | | | | | |
| Revenue from Stimulus Funds | | | | | |
| Net Nonoperating Revenues | \$0 | \$0 | \$0 | \$0 | |
| Income Before Other Revenues, Expenses, Gains, and Losses | \$669 | -\$676 | \$39 | -\$174 | -\$213 -546% |
| Capital Expenditures | | | | | |
| Capital Appropriations | | | | | |
| Capital Grants and Contracts | | | | | |
| University Related Transactions | | | | | |
| Disposal of Plant Facilities | | | | | |
| Other Additions/Deductions | | | | | |
| Total Other Revenues, Expenses, Gains & Losses | \$0 | \$0 | \$0 | \$0 | |
| Total Increase in Net Assets | \$669 | -\$676 | \$39 | -\$174 | -\$213 -546% |
| NET ASSETS | | | | | |
| Net Assets at Beginning of Year | \$7,130 | \$7,799 | \$7,123 | \$7,162 | \$39 1% |
| Net Assets at End of Year | \$7,799 | \$7,123 | \$7,162 | \$6,988 | -\$174 -2% |

Table 2
University of Massachusetts
Information Technology Services
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$13,286 | \$14,423 | \$15,953 | \$17,447 | \$1,494 | 9.4% |
| Employee Fringe Benefits | \$1,064 | \$1,525 | \$1,654 | \$1,955 | \$301 | 18.2% |
| Student Aid | | | | | | |
| Utilities | | | | | | |
| Supplies and Other Services | \$19,729 | \$17,030 | \$16,373 | \$18,660 | \$2,287 | 14.0% |
| Depreciation | | | | | | |
| TOTAL | \$34,079 | \$32,978 | \$33,980 | \$38,062 | \$4,082 | 12.0% |

***Total** should equal total Operating Expenses from SRECNA

FY 2013 University Operating Budget – T12-037

Table 3
University of Massachusetts
Information Technology Services
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | | | | | 0.0 | |
| Professional Staff | 87.0 | 105.0 | 108.0 | 105.0 | (3.0) | -2.8% |
| Classified Staff | 10.0 | 10.0 | 8.0 | 8.0 | 0.0 | 0.0% |
| Subtotal, State Funded | 97.0 | 115.0 | 116.0 | 113.0 | (3.0) | -2.6% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | | | | | 0.0 | |
| Professional Staff | 55.0 | 53.5 | 58.0 | 66.0 | 8.0 | 13.7% |
| Classified Staff | | | | | 0.0 | |
| Subtotal, Non-State Funded | 55.0 | 53.5 | 58.0 | 66.0 | 8.0 | 13.7% |
| Total Unrestricted/Designated | 152.0 | 168.5 | 174.0 | 179.0 | 5.0 | 2.9% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | | | | | 0.0 | |
| Professional Staff | | | | | 0.0 | |
| Classified Staff | | | | | 0.0 | |
| Subtotal, Grant Funded | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| OTHER RESTRICTED POSITIONS | | | | | | |
| Faculty | | | | | 0.0 | |
| Professional Staff | | | | | 0.0 | |
| Classified Staff | | | | | 0.0 | |
| Subtotal, Other Restricted Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Total Restricted | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| TOTAL UNRESTRICTED AND RESTRICTED | 152.0 | 168.5 | 174.0 | 179.0 | 5.0 | 2.9% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct.).

OPERATING BUDGET

for Fiscal Year 2013

UNIVERSITY OF MASSACHUSETTS DONAHUE INSTITUTE
OF GOVERNMENTAL SERVICES



**UNIVERSITY OF MASSACHUSETTS DONAHUE INSTITUTE
FY 2013 Operating Budget Narrative**

OVERVIEW

Established by the Trustees in 1970, the University of Massachusetts Donahue Institute (the Institute) functions as a public service, outreach, and economic development unit for the Office of the President. Institute personnel work collaboratively with business and industry; local, state, and federal government; and non-profit and educational organizations.

The Institute's revenue in FY12 was \$15,939,000. These monies are derived from the following sources: grants and contracts (including overhead) \$14,696,273, Office of the President Projects, \$275,142; State Appropriation, \$453,413 and other revenue \$514,172. For FY12, the Institute generated \$31.04 in grant and contract funds for every \$1 in State Appropriation, a 4.14% increase from last year's record level. In addition during FY12, system-wide projects supported by the Institute totaled \$435,858.

The Institute manages almost two hundred programs, primarily through our seven business units, but in some cases also as special projects. Listed below is just a representative sample of our achievements for this past year, organized by business unit. As demonstrated by these examples, much of the ongoing work of the Institute is strongly aligned with the President's six focal areas for the University: 1) student success; 2) producing an educated and engaged citizenry; 3) conducting world class research; 4) enhancing the social well being; 5) being good stewards of state resources; and, 6) telling and selling the story of UMass.

ORGANIZATIONAL STRUCTURE, SYSTEM COLLABORATION, AND ACHIEVEMENTS

1. Applied Social Science Research and Evaluation

Focus: Provide formative and summative program evaluation, policy research, survey research, market research, needs assessment and organizational assessment services to a range of governmental, non-profit and private sector clients.

Key projects and development efforts: Specializing in applied research in the education, health, human services, and economic development fields. In the area of K-12 education, key clients include the MA Department of Elementary and Secondary Education, the Nellie Mae Education Foundation, the Great Schools Partnership of Maine, Education Development Center, the Rhode Island Afterschool Alliance, the Boston Museum of Science, and numerous local districts (Boston, Worcester, Chelsea, Hampden-Wilbraham, and Brockton). Higher Education clients include the MA Department of Higher Education, as well as UMass Amherst, UMass Boston, the UMass Lowell College of Engineering, UMass Dartmouth's Kaput Center, Northeastern University, Worcester Polytechnic Institute, and SUNY Geneseo. The MA Department of Early Education and Care also became a key client this year. Health and Human Services related work includes serving as evaluator of the NIH-funded Center for Clinical and Translational Science at the UMass Medical School, and evaluation of grants to organizations including the MA Department of Public Health, National Cancer Institute, Seven Hills Foundation, Gandara Mental Health Center, River Valley Counseling Center, Inc., and Bay

State Health Center. Economic development projects included a business climate study for the Cape Cod Commission.

- The Unit continued its relationship with the UMass Medical School's Center for Clinical and Translational Science (CCTS), following a successful first year of collaboration in relation to the CCTS evaluation. The second year focused on the development and institutionalization of data collection systems to support CCTS evaluation and reporting to the National Institute's for Health, which provides funding to CCTS through a Clinical and Translational Science Award.
- The Unit's staff expanded its work for Expeditionary Learning (EL), an organization that partners with schools, districts, and charter boards to open new schools and transform existing schools, and has a network of over 100 schools across the nation. In FY12, the R&E group began a study of the success of three EL schools' performance relative to the persisting challenge of closing the achievement gap for key student populations in New York City and Rochester, New York.
- Work was completed on the Research and Evaluation Group's two-year comprehensive evaluation of the New Hampshire Expanded Learning Opportunities Initiative, a project funded by the Nellie Mae Education Foundation and implemented in close collaboration with the New Hampshire Department of Education. The study examines the development and implementation of ELO programs, student participant characteristics, project characteristics, assessment practice, quality and rigor, and impacts on students, teachers, partners, and schools.
- The Unit continued its evaluation of the MA Department of Elementary and Secondary Education's (ESE) District and School Assistance Center (DSAC) system. This system supports improvement in struggling districts and schools through targeted support delivered through regional assistance centers. The evaluation shifted from a primarily formative to an increasingly outcomes-focused orientation.
- The Unit agreed to conduct an evaluation of the Gateway Project, a program implemented by the (Boston) Museum of Science's National Center for Technological Literacy. The Gateway Project seeks to assist Massachusetts school districts with efforts to implement the Massachusetts Science and Technology/Engineering Frameworks through the development and support of district Leadership Teams.
- Building on work concluded in July 2010, the Research and Evaluation group conducted a comprehensive retrospective process evaluation for the Department of Public Health's Wellness Unit. The proposed scope of work involves documenting all Nutrition, Physical Activity and Obesity activities as part of a five year Centers for Disease Control grant that began in 2008.
- Research Manager Eliot Levine's book, *One Kid at a Time: Big Lessons from a Small School* (Teachers College Press, 2002), was published in Hebrew by the Branco Weiss Institute in Jerusalem. The book's English edition has been used for advocacy and professional development in Israeli schools, colleges, and government. The book had been previously published in Korean by Mindle Press in Seoul.

2. Brockton CareerWorks

Focus: Coordinate various educational and training activities and provide job-search assistance and resources to the Brockton region.

Key projects and development efforts: CareerWorks, the One-Stop Career Center, located in downtown Brockton, played a leadership role in providing education and training resources to residents in the Brockton region; Partnered with other public institutions of Higher Education, such as Bridgewater State College and Massasoit Community College to upgrade the skills of workers in the region; Continued to play a crucial role in the economic development of the City of Brockton and works closely with the Mayor's office as well as local and state economic development agencies, to meet the workforce development needs of employers.

- CareerWorks received a grant to serve workers laid off from Courier Company in Stoughton, Massachusetts. Courier Corporation, one of America's leading book manufacturers and specialty publishers, announced that it will be closing its manufacturing plant in Stoughton, Massachusetts due to competitive pressures and technology shifts. Courier's Stoughton plant employed 110 people.
- CareerWorks developed a working relationship with Father Bill's and MainSpring in Brockton to develop the "Work Ready Program" (WRP). Several years ago, CareerWorks established a partnership with Father Bill's and MainSpring, assisting their homeless population in finding employment. When Father Bill's received a grant from the United States Department of Labor, they expanded their services at CareerWorks by placing an employment specialist on-site. The "WRP" includes the following services: One on one assistance and support; Win Way Resume; Job search events such as recruitments, and job fairs. They also developed workshops in CareerWorks' Computer Lab such as: "How to Job Search on the Internet"; and "Interviewing and Networking Techniques."
- During FY12 CareerWorks announced that it exceeded its performance goals for the previous fiscal year. Funded by the United States Department of Labor Workforce Investment Act (WIA), CareerWorks is required to meet several performance goals on its programs and has surpassed these goals for many years running. On both the WIA Adult program, which serves low income adults, and the WIA Dislocated Workers program, which serves individuals laid off from their jobs, CareerWorks surpassed goals for employment and wages.
- CareerWorks received a grant to provide workforce development services to current and former employees of the Raynham/Taunton dog track. Services included preparation of updated resumes, job search assistance and the enhancement of occupational skills through third-party training, when appropriate. The funding was used to hire additional staff to work closely with the present staff at CareerWorks, first on outreach efforts aimed at potential employees from the track and then on providing those services.

3. Civic Initiative

Focus: Utilizing the University's resources to enhance the teaching of democracy and government in our schools, offering education programs in emerging democracies, and measuring the impact of democratic reform in Massachusetts.

Key projects and development efforts: Organized and managed the People in Motion Project (PIM) in partnership with the Southbridge regional school district, a three year, Department of Education funded effort that focuses on the history of immigration to the United States; Hosting 17 Pakistani students who will live at UMass Amherst for six weeks and take a class on Comparative Public Policy with twenty UMass students in partnership with the University of Massachusetts Political Science Department; Managing programs for 25 Iraqi college students, 25 Argentine post-graduates, and 18 multi-national university faculty. The program also includes in-country visits to Iraq and Argentina for follow-on.

- UMDI's Civic Initiative, under a contract with The Academy for Educational Development, managed a program that brought 24 Iraqi students to the campus of UMass Amherst for the summer. Besides introducing students to the inner workings of public policy, the program, funded by the United States Embassy/Baghdad, bequeathed practical knowledge and hands-on experience in fundraising and organizing community-based projects, a practice not very common in Iraq. The students experienced the politics and culture of America through a program designed to give them a deeper understanding of the United States government and public policy. Over the course of their stay here, the students attended classes, went on home visits and took excursions to local cities and landmarks. The program culminated with the planning of a fundraising dinner held at Baystate Medical Center in Springfield, which raised money for the Springfield Adolescent Health Center, a partnership between Baystate and the city of Springfield that will provide health services to local homeless and transient teens.
- The Unit hosted twenty-four Argentine Fulbright scholars at the UMass Amherst campus for a month long program on US culture and politics. This program, funded by the Argentine Fulbright Commission, also included trips to New York City, Boston, and Washington, DC. Along with this program, the Civic Initiative also utilized the UMass Amherst campus for other programs as well. In fact, during the summer, UMDI is UMass Amherst Conference Services' second largest client and the programs of the Civics Initiative utilize over 40 UMass faculty and staff as speakers or academic directors.
- The Unit also hosted twenty four Pakistani university students participating in the Pakistani Young Leaders program. The students attended a four week class on comparative public policy that included current University of Massachusetts students. Additionally, the students participated in cultural activities and embarked on a two week study tour that included stops in New York, Gettysburg, Charlottesville and DC. Upon completion of the program, the students prepared a forty five minute presentation to the State Department, the funder of the Pakistani Young Leaders program.
- With funding from the State Department's Bureau of Educational and Cultural Affairs (ECA), the Civic Initiative managed a six week program for 18 college professors from 18 different countries. The program is designed to improve the teaching of American politics and political thought.
- In cooperation with the Southbridge Public Schools, The Civic Initiative Unit managed a two week summer workshop on 19th century immigration. The event, held at the UMass Amherst Campus Center (and featuring 7 UMass speakers) drew over 50 teachers. The event was a part of a three year grant from the U.S. Department of Education's Teaching American History program.

4. **Economic and Public Policy Research**

Focus: Producing high-level applied research on key economic and public policy issues facing Massachusetts and its regions that target policy makers and business leaders.

Key projects and development efforts: Producer of MassBenchmarks, an ongoing analysis of the Massachusetts economy through a printed journal, quarterly index releases, and news releases covering the opinions of an esteemed board of economic experts. The Population Estimates Program, funded by the Secretary of State, provides technical assistance for the Commonwealth to validate and challenge Census claims following the 2010 Census. The State Data Center creates and updates four quarterly State of the State reports for the Office of the State Treasurer, which attach to the Commonwealth's bond prospectus. Major research on issues of significance to Massachusetts included: A post-Census research project, through the U.S. Census Bureau, investigating how alternative methods of estimating migration rates effect county-level population estimates; Ongoing technical support to municipalities in challenging Census 2010 data through the Count Question Resolution program and proactive data review, research, and outreach to municipalities for these corrections; An economic contribution analysis for the UMass Medical School of the economic contributions generated by both the UMass Medical School and UMass Memorial Health Care; Several projects for MassDevelopment: 1) researching the impacts on the Massachusetts economy by businesses located in Devens, MA; 2) an economic modeling exercise to assess the economic contributions of the six military installations located in the Bay State; and 3) a defense study of Massachusetts and New England. Research with a focus outside of Massachusetts: An analysis of the New England Cable & Telecommunications Association (NECTA) that documents the nature and scale of cable telecommunications in Massachusetts and New England, analyzes the economic contributions generated by cable telecommunications firms, and explores the state of cable telecommunications infrastructure.

- UMDI's Economic Public and Policy Research Unit (EPPR) released the New England Cable and Telecommunications Association (NECTA) report detailing the economic contribution of the cable industry across New England and separately for each of the six states. The findings pointed to growing employment in the industry and a \$7 billion economic impact throughout the region. The report generated significant news coverage.
- According to a report released by the Center for Regional Economic Competitiveness and the University of Massachusetts Donahue Institute's EPPR unit, resurgent manufacturers helped the economy continue to recover as Massachusetts companies advertised 72,996 job openings in the state's manufacturing sector, second only to the health care sector, However, the workforce needs of manufacturers have changed considerably, and the traditional assembly line worker has largely been supplanted by one with a background in engineering, computing, and/or business management. The report found that in 2011, only 4,036 of manufacturing job openings were for traditional production occupations.
- UMDI's Benchmarks collaborative program to provide information on the state of the Massachusetts economy provided significant press coverage across Massachusetts and New England. With representation and active participation by academics from multiple universities, private sector economists, and the Fed Reserve Bank of Boston, the economic information and insight developed continued to offer a picture of the economy that is

beyond what would come from just the work of one group. One example of this was the article released on income inequality across the state, which garnered major media attention across Massachusetts.

- EPPR staff studied the economic and community benefits resulting from the operations of the UMass Medical School and UMass Memorial Health Care. The summary provided a solid analysis of the economic contributions of the two institutions on not only the Massachusetts economy, but also on the economies of the City of Worcester and Worcester County.
- The EPPR unit, in partnership with the Federal Reserve of Boston, publishes MassBenchmarks, the journal of the Massachusetts economy. MassBenchmarks' Current Economic Index incorporated employment revisions and found real gross state product growing 1.8 percent in Massachusetts for 2011, as compared to 1.6 percent for the United States. Revisions to Massachusetts employment data have significantly altered how the Commonwealth's economic experience is understood in the aftermath of the Great Recession. The number of jobs added in 2011 (from December 2010 to December 2011) was revised downward from 40,700 to 9,100, resulting in state employment growth of just 0.3 percent for the year (down from 1.3 percent).

5. **Financial Management Education and Training**

Focus: Non-credit training in finance and management education for Department of Defense (DoD) personnel.

Key projects and development efforts: Managed relationship with DoD Center and Scientific Applications International Corporation (SAIC) while serving as the Director, Training and Delivery Operations, FMET. Managed assignment and work performance of all assigned FMET Instructors, belonging to the Prime Contractor and Sub-contractors, to insure highest quality standards are achieved for DFAS customer satisfaction. Managed the UMass FMET Business Unit for contractual compliance, supervised UMass personnel employed on the contract for optimal efficiency and effectiveness. Continued to explore new funding opportunities for UMass and its campuses, and SAIC/UMass partnership.

- The Defense Finance and Accounting System (DFAS) Financial Management Education and Training (FMET) Program, which started in January 1997, has delivered training to internal and external DFAS customers located at up to 36 different locations throughout the US, Europe, and Japan during the life of the contract. The overall FMET Program has taught up to 42 different courses of instruction in the three DFAS functional Mission Areas of Accounting, Finance, and Disbursing to DFAS employees and Department of Defense customers for improved operational efficiency and effectiveness.
- The present FMET III Program, between April 2008 and March 2012, provided training to DFAS internal and external customers in 18 different locations in the USA, Germany, and Japan despite significant Defense Department financial management reorganization, consolidations, downsizing, and cost reductions in program funding and personnel during the past several years. During this same period, the FMET III Program has taught up to 26 different courses in the three Mission Areas. Cumulative student load for all course deliveries throughout the present FMET III contract is 9,783 students.

- Despite decreased Defense Department spending due to federal budget cutbacks, the FMET III Program taught 2,027 students through 12 courses at 10 locations in the past year. In previous years, when federal funding was higher for training, the program reached 2,593 students, taught 33 courses, and was conducted in 17 locations.

6. **Head Start**

Focus: Provide customized technical assistance and training to Head Start and Early Head Start grantees to support well-managed organizations that provide high quality programming for low-income young children and their families, so that children begin school with the skills that they need to succeed.

Key projects and development efforts: Managing four state early childhood education training/technical assistance centers in New England; providing targeted assistance to at-risk programs in all six New England states; providing programs with research-based technical assistance and training around early childhood care and education, particularly school readiness and engaging families in their children's education. Key projects include building leadership skills and strong management systems that ensure continuous quality services to children and families; improving and expanding services for infants and toddlers and their families; supporting the effective use of classroom observation to improve teaching strategies and outcomes for children; promoting good physical development and preventing childhood obesity; maximizing project impact by building collaborative partnerships with other local, state, and regional training and technical assistance resources; and continued participation in the national risk management system, to ensure strong Head Start and Early Head Start programs that meet all national Performance Standards and other requirements and support positive outcomes for children and families.

- A UMDI Head Start Early Childhood Education Specialist was a member of the leadership team that designed Wheelock College's 6th Annual Community Dialogue on Early Education and Care. Members of our Head Start staff participated in the event which explored the leadership and alliances needed to achieve a more cohesive service delivery system as the direction, financing, and scope of the field evolves. Speakers included Commissioner Sherri Killins of the Department of Early Education and Care, Secretary of Education Paul Reville, National Association for the Education of Young Children Executive Director Jerlean Daniel, and state representatives Patricia Haddad and Alice Peisch, as well as a panel of early childhood teachers and family child care providers.
- Early childhood specialists in this Unit continued to work with Head Start programs as they taught the CLASS (Classroom Assessment Scoring System) to continually improve the effectiveness of classroom interactions among children and teachers, which support children's social and cognitive development. Specialists worked with individual programs in several ways: introducing staff to the overall concepts of CLASS; providing workshops for teachers on practical strategies for improving their classroom interactions; and working with supervisors to use CLASS as a tool for observing classrooms and providing feedback to teachers.

7. **Organizational Development and Learning Solutions**

Focus: Organizational development, training, leadership and management development, online leadership training, conference management and coaching services for federal/state/local government, non-profit and the private sector.

Key projects and development efforts: Continued work with long term clients such as the Department of Developmental Services, Department of Environmental Protection and Massachusetts Developmental Disabilities Council; Provided Senior Management Retreat to State STEM Advisory Council and also a retreat for the Early Education and Care Agency Board; Continue to offer a six module Online Leadership Excellence Certificate Program in collaboration with UMass Amherst Continuing and Professional Education; Provided Project Management consulting and training in support of the Race To The Top Education Reform Initiative; Provided conference logistics for seventh annual STEM Summit and 34th annual Massachusetts Developmental Disabilities Council's Annual Legislative Reception; Completed a needs assessment for management at the US Department of Agriculture Regional Office; Offered workshops to UMass President's Office staff and began a strategic Training Needs Assessment Survey for the President's Office; Administered federal HRSA Health Careers Opportunities Program grant to create pathways for disadvantaged youth to prepare for health careers in the Pioneer Valley; Continued to coordinate and facilitate the Mass Department of Public Health Massachusetts Comprehensive Cancer Prevention and Control Program; Developed virtual training and webinar capabilities using AdobeConnect Pro service.

- UMass Donahue Institute's Organizational Development and Learning Solutions unit launched its virtual workshops, facilitating the first of its remote staff development courses for the Allied World Assurance Company's Hong Kong and Singapore offices. Based in Switzerland, Allied World is an international supplier of insurance and reinsurance solutions. The workshops, Effective Performance Feedback and Developing Performance Goals and Standards specifically targeted managers who are involved in evaluating the organization's performance and progress.
- UMDI's Organizational Development and Learning Solutions staff assisted the Department of Environmental Protection and Department of Public Health to provide support for a project that identified documented and/or potential human health impacts or risks associated with exposure to wind turbines. ODT partnered with Susan Santos, Ph.D. of FocusGroup to gather information from experts from different scientific areas.
- The Unit was also awarded a contract with the MA Department of Public Health (DPH) to manage a contract for the DPH's new PROMISES project. The DPH Bureau of Healthcare Safety & Quality (HCQ) launched a three-year project entitled the Proactive Reduction in Outpatient Malpractice: Improving Safety, Efficiency and Satisfaction (PROMISES). UMDI's Organizational Development and Learning Solutions staff were tasked to hire the nine pre-selected subject matter area experts.
- At the invitation of the Human Resources Department of the President's Office, the ODLS team began a process to assist the President's Office to identify staff competencies needed to meet unit goals and objectives for the President's Office. ODLS staff utilized focus groups to learn how the managers' view their department's needs and will, in turn, assist ODLS staff to design a training needs survey to President's Office staff.

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- The ODLS Unit, along with a partner consultant, was selected to provide the design and delivery of a custom behavioral interviewing program, entitled “Hire for Fit at Electric Insurance Company” by the company with the same name. This program will be included in Electric Insurance’s leadership program in the future. The program was a big success and the customer is interested in licensing the material for future use.
- ODLS staff has been providing support assistance on an ongoing basis to the Massachusetts Comprehensive Cancer Advisory Committee (MCCAC). The MCCAC holds regular meetings throughout the year which include presentations on various topics around health planning issues revolving around cancer treatment. Guests at these meetings have included many state officials including Commissioner John Auerbach of the Massachusetts Commission of Public Health. The program continues to be funded despite major cuts in federal funding to the state.
- The Organization Development and Learning Solutions Unit launched the Massachusetts Commission for the Blind (MCB) initiative with a luncheon attended by the Commissioner, MCB and UMDI staff. Working with the Western Massachusetts of the MCB, the work session produced a consensus to reach out to Western Massachusetts businesses and local colleges for the purpose of participating in an education and awareness event to learn about the MCB and its services. As a result, more than 300 contacts were made by the UMDI team.

Special Projects

The Institute continues to manage a limited number of special projects that are not assigned to our business units but offer important services for the University and the Commonwealth. Examples of these special projects are the Academy for New Legislators (which occurs every other year); STEM (Science, Technology, Engineering, and Math) which includes our annual STEM Summit and support of the data collection for the Governor’s STEM Advisory Council; and, beginning this year, the exploration of Satellite Centers.

With statewide elections slated for November of 2012 for the Massachusetts Legislature, the Institute will conduct its next Academy for New Legislators in late November or early December of this year. In addition, UMDI has continued to be a part of legislative education events including the Speakers Leadership Retreat and through the Population Estimate Program.

In addition, Lynn Griesemer continued to co-Chair the Data Subcommittee of the Governor’s STEM Advisory Council and Jean Supel, of our Research and Evaluation Unit, continued to serve as a primary committee member and staff. Jean has been an invaluable resource as a researcher and coordinator of events for STEM.

During FY12, UMDI continued to provide assistance as a financial conduit to the UMass Building Authority for the design cost of the Edward M. Kennedy Institute for the study of the U.S. Senate.

A new special project is the exploration of University Satellite Centers. This includes exploring other state models, especially Maryland; developing a detailed description of UMass efforts; and developing a plan for the establishment of additional UMass initiatives. In addition, UMDI funded

the process for establishing negotiated indirect rates for the President's Office, and provided technical and process expertise in support of that effort.

FY 2013 OPERATIONS SUMMARY

The Institute's priorities during FY13 include:

- Support the President's priorities including: Student Success; Educated and Engaged Citizenry; World Class Research Enterprise; Enhancing Social Well Being; Good Steward of State Resources; and Telling and Selling the Story of UMass
- Seek out new federal and private sector funding opportunities consistent with the mission of the Institute that support the President's priorities and provide an opportunity to showcase the expertise and talent of the faculty and staff of the UMass system (e.g., build on GSA instruments, involve faculty in contracts and grants).
- Continue the Institute's support of multi-campus and system-wide initiatives (e.g., MassBenchmarks, Professional Science Masters (PSM) degree development, STEM Summit/Pipeline, Economic Development, various relationships with state and federal agencies).
- Undertake special projects for the President of the University (e.g., Exploration of Satellite Centers, UMass 150 Publication, and Academy for New Legislators).
- Recognizing the challenges of shrinking budgets, continue to renew our grant and contract base and maintain the entrepreneurial character that has become the trademark of the Institute - currently, the Institute generates \$31.04 in grant and contract funds for every \$1 in state appropriation. In FY12, the Institute continued to be an effective and comprehensive outreach organization integrally linked to the University of Massachusetts and the Commonwealth through the Office of the President.
- Continue our established programs (e.g., organizational development, training and technical assistance, research and evaluation, economic research and analysis, civic initiative).
- Continue to work with UMass Online and within the Institute to expand credit and non-credit course offerings as well as develop joint proposals for funding special programs.

FY12 STAFFING AND CAMPUS RESOURCES

During FY12, the Institute employed 97 staff with a full-time equivalency of 96, housed at five office locations including, Boston, Southbridge, Hadley, Brockton, and Shrewsbury MA, as well as several home offices located throughout New England. The out of state home offices result from our Head Start program that operates in four New England states: Massachusetts, New Hampshire, Vermont, and Connecticut. Core state funding supported six employees' full time and nine employees part time. The remaining Institute staff members are supported through grants and contracts or special project funds. In FY12 alone, 87% of the contracts were federally funded or federal monies passed through the state and 9% were state funded. The balance of our contract funding emanated from local and private sources.

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In addition, the Institute utilized the services of 20 faculty spread across the UMass five-campus system and numerous departments that generated for them over \$63,000 in revenue. In FY12, our various projects involved 32 undergraduate and graduate students from the University, providing them with over \$182,023 in support. Most of the Institute's grants and contracts are won competitively, and once awarded, are generally renewed if a multi-year option is available. During FY12, the Donahue Institute administered 183 grants and contracts.

FY 2012 BUDGET REVIEW

The Institute received an appropriation of \$473,413 in general University funding and generated over \$14,696,273 in grant and contract funds during FY12. These grants and contracts were used to provide technical assistance, organizational development, applied research, policy studies, conferences and training for public, private, and nonprofit agencies in Massachusetts and nationwide. As you can see from the examples above, several of these projects were conducted on behalf of the Office of the President and the five-campus system.

FY 2013 AND BEYOND

As the Institute looks ahead to FY13 and beyond, we anticipate continued dialogue with the Office of the President as to how we may be able to increase our support for the President's agenda and increase our own revenues. Overall, we will continue to strengthen the Institute and manage complex projects and initiate new ventures, including multi-campus projects consistent with the President's goals.

FY 2013 University Operating Budget – T12-037

Table 1
University of Massachusetts
Donahue Institute
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2013 Operating Budget Statement
(in thousands of dollars)

| | | | FY2013 BUDGETED | | |
|--|-----------------|-----------------|---|-------------------------------|------------------------|
| | FY10 Actuals | FY11 Actuals | FY12 Projected Budget-Accrual/ Adjusted Basis | FY13 Budget- Accrual Basis | FY12 to FY13 Change |
| REVENUES | | | | | |
| Operating Revenues | | | | | |
| Tuition and Fees | | | | | |
| Scholarship allowance | | | | | |
| Tuition and Fees (net of scholarship allowances) | | | | | |
| Federal Grants and Contracts | \$9,286 | \$10,925 | \$11,826 | \$11,000 | -\$826 -7% |
| State Grants and Contracts | \$2,286 | \$1,769 | \$1,215 | \$1,200 | -\$15 -1% |
| Local Grants and Contracts | \$10 | \$55 | \$18 | \$25 | \$7 39% |
| Private Grants and Contracts | \$558 | \$697 | \$441 | \$425 | -\$16 -4% |
| Sales & Service, Educational | | \$205 | \$12 | \$80 | |
| Auxiliary Enterprises | | | | | |
| Other Operating Revenues: (fixed price balance transfers) | \$80 | \$1,297 | \$1,698 | \$900 | -\$798 -47% |
| Sales & Service, Independent Operations | | | | | |
| Sales & Service, Public Service Activities | | | | | |
| Other (non-state funds from Pres Office) | \$38 | \$38 | \$29 | \$32 | \$3 10% |
| Total Operating Revenues | \$12,258 | \$14,986 | \$15,239 | \$13,662 | -\$1,577 -10% |
| EXPENSES | | | | | |
| Operating Expenses | | | | | |
| Educational and General | | | | | |
| Instruction | \$8,381 | \$9,534 | \$8,751 | \$8,500 | 0% |
| Research | \$2,336 | \$3,339 | \$3,444 | \$3,050 | 0% |
| Public Service | \$2,222 | \$2,706 | \$3,826 | \$2,700 | 0% |
| Academic Support | | | | | |
| Student Services | | | | | |
| Institutional Support | \$121 | \$48 | \$29 | \$50 | 0% |
| Operation and Maintenance of Plant | | | | | |
| Depreciation and Amortization | | | | | |
| Scholarships and Fellowships | | | | | |
| Auxiliary Enterprises | | | | | |
| Other Expenditures | | | | | |
| Independent Operations | | | | | |
| Public Service Activities | | | | | |
| Total Operating Expenses | \$13,060 | \$15,627 | \$16,050 | \$14,300 | -\$1,750 -11% |
| Operating Income/(Loss) | -\$802 | -\$641 | -\$811 | -\$638 | \$173 -21% |
| NONOPERATING REVENUES/(EXPENSES) | | | | | |
| Federal Appropriations | | | | | |
| State Appropriations | \$816 | \$700 | \$700 | \$650 | -\$50 -7% |
| Gifts | | | | | |
| Investment Return | | | | | |
| Endowment Return | | | | | |
| Interest on Indebtedness | | | | | |
| Other Nonoperating Income | | | | | |
| Revenue from Stimulus Funds | | | | | |
| Net Nonoperating Revenues | \$816 | \$700 | \$700 | \$650 | -\$50 -7% |
| Income Before Other Revenues, Expenses, Gains, and Losses | \$14 | \$59 | -\$111 | \$12 | \$123 -111% |
| Capital Appropriations | | | | | |
| Capital Grants and Contracts | | | | | |
| University Related Transactions | | | | | |
| Disposal of Plant Facilities | | | | | |
| Other Additions/Deductions | | | | | |
| Total Other Revenues, Expenses, Gains & Losses | \$0 | \$0 | \$0 | \$0 | |
| Total Increase in Net Assets | \$14 | \$59 | -\$111 | \$12 | \$123 -111% |
| NET ASSETS | | | | | |
| Net Assets at Beginning of Year | \$211 | \$225 | \$284 | \$173 | -\$111 -39% |
| Net Assets at End of Year | \$225 | \$284 | \$173 | \$185 | \$12 7% |

FY 2013 University Operating Budget – T12-037

Table 2
University of Massachusetts
Donahue Institute
Fiscal Year 2013 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

| | FY10 | FY11 | FY12 | FY13 | \$ Change | % Change |
|-----------------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| EXPENSE CATEGORY | Actuals | Actuals | Projected | Budgeted | FY12 - 13 | FY12 - 13 |
| Salaries and Wages | \$7,000 | \$7,027 | \$6,916 | \$7,035 | \$119 | 1.7% |
| Employee Fringe Benefits | \$1,793 | \$1,962 | \$2,054 | \$2,000 | -\$54 | -2.6% |
| Student Aid | | | | | | |
| Utilities | | | | | | |
| Supplies and Other Services | \$4,267 | \$6,638 | \$7,081 | \$5,334 | -\$1,747 | -24.7% |
| Depreciation | | | | | | |
| TOTAL | \$13,060 | \$15,627 | \$16,051 | \$14,369 | (\$1,682) | -10.5% |

***Total** should equal total Operating Expenses from SRECNA

FY 2013 University Operating Budget – T12-037

Table 3
University of Massachusetts
Donahue Institute
Fiscal Year 2013 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

| | Actual FTEs Fall 2009 (FY2010) | Actual FTEs Fall 2010 (FY2011) | Actual FTEs Fall 2011 (FY2012) | Proj. FTEs Fall 2012 (FY2013) | FTE Change Fall 2011 - 12 | % Change Fall 2011 - 12 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------------------|----------------------------|
| UNRESTRICTED/DESIGNATED FUNDS | | | | | | |
| STATE FUNDED POSITIONS | | | | | | |
| Faculty | | | | | | |
| Professional Staff | 8.5 | 6.5 | 6.1 | 6.5 | 0.4 | 6.6% |
| Classified Staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Subtotal, State Funded | 8.5 | 6.5 | 6.1 | 6.5 | 0.4 | 6.6% |
| NON-STATE FUNDED POSITIONS | | | | | | |
| Faculty | | | | | | |
| Professional Staff | 4.5 | 3.4 | 6.4 | 5.5 | (0.9) | -14.1% |
| Classified Staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Subtotal, Non-State Funded | 4.5 | 3.4 | 6.4 | 5.5 | (0.9) | -14.1% |
| Total Unrestricted/Designated | 13.0 | 9.9 | 12.5 | 12.0 | (0.5) | -4.0% |
| RESTRICTED FUNDS | | | | | | |
| GRANT FUNDED POSITIONS | | | | | | |
| Faculty | | | | | | |
| Professional Staff | 90.0 | 89.7 | 79.1 | 80.3 | 1.2 | 1.5% |
| Classified Staff | 7.0 | 6.0 | 4.0 | 3.0 | (1.0) | -25.0% |
| Subtotal, Grant Funded | 97.0 | 95.7 | 83.1 | 83.3 | 0.2 | 0.2% |
| OTHER RESTRICTED POSITIONS | | | | | | |
| Faculty | | | | | | |
| Professional Staff | | | | | | |
| Classified Staff | | | | | | |
| Subtotal, Other Restricted Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Total Restricted | 97.0 | 95.7 | 83.1 | 83.3 | 0.2 | 0.2% |
| TOTAL UNRESTRICTED AND RESTRICTED | 110.0 | 105.6 | 95.6 | 95.3 | (0.3) | -0.3% |

* Includes Full and Part-time employees; student and other hourly employees not included. All employee counts from fall census data (Oct).

APPENDIX A:

FY 2013 UNIVERSITY OPERATING BUDGET

Board of Trustee Policy for Management of University Funds (T92-031) describes the procedures for the establishment and management of all University funds as authorized by Section 11 of Chapter 75 of the Massachusetts General Laws including revenue-based and student fee-based operations. The President's Office annually reviews and approves all the budgets for campus revenue and fee-based operations consistent with the policy. The policy also requires that requests to establish new revenue-based operations or to substantially change the purpose or name of an existing revenue-based operation (statement of trust) must be presented to the Board of Trustees for approval as a specific item.

In general, changes to statements of trust are "housekeeping" in nature and are needed to ensure that the revenue and expense activities of a particular fund are appropriate to and consistent with the Board-approved statements. New statements of trust are usually requested to meet specific programmatic needs, such as the creation of new cost centers or the reorganization of campus departments. Changes are also proposed when campuses reorganize fee schedules, make adjustments to the chart of accounts, or when the amount of revenue generated by an operation exceeds the threshold for the creation of a new trust (\$500,000).

➤ **Requested New Statement of Trust: UMass Dartmouth Nursing HEIS Exam Prep Fee**

The Dartmouth campus is requesting a new fee of \$370 for undergraduate students in the College of Nursing. This fee will assist the CON to mandate that all students (beginning as freshmen) participate in computerized testing in preparation for the licensure exam (NCLEX) upon graduation.

Colleges/Schools of nursing across the country are increasingly administering computerized exams developed by Health Education Systems, Inc (HESI) to evaluate student and program outcomes and provide evidence-based rationale for curriculum development and modification. HESI exams are administered to students for two reasons: (1) Evaluate how the program [college/school] is working; providing evidence so the curriculum can be changed or modified , (2) Assess students' knowledge and ability to apply nursing concepts within specific content areas and predict their level of success on NCLEX.

The CON strongly believes HESI Exams are critical in preparing students for their licensure exam. A Task Force has been formed in the CON of faculty working directly with undergraduate students to look at best practices associated with HESI testing in the classroom and as a remediation tool.

Currently HES I testing occurs in the Junior and Senior year w/students paying for each exam separately. We would like to move HESI testing down to freshmen level and have a way of having the total fee for four years of testing per student (\$370) built into their tuition/fee bill.

➤ **Requested New Statement of Trust: UMass Dartmouth in Lisbon Fee**

UMass in Lisbon, sponsored by the UMass Dartmouth Center for Portuguese Studies with the support of the Luso-American Foundation, offers American students the opportunity to spend a semester or year in the vibrant capital city of Lisbon learning about the vast Portuguese-speaking world and European Union. This program will be run through PCE as it is open to students from other Universities.

UMass in Lisbon is a unique program of the University of Massachusetts system, with the cooperation and support of the Luso-American Foundation. All students pay charges based on the structure of charges at UMass Dartmouth.

NEW NON-MANDATORY STUDENT FEE-TEMPLATE

Fee Name: **HESI Nursing Exam Fee**

Fee Information:

| Fee | Participant (s) Paying Fee | Fee Type (Optional/One-Time Surcharge) | FY2013 est. # of payers | FY2013 Fee Charged per person | FY2013 Projected Revenues |
|------|-------------------------------|--|----------------------------|-------------------------------------|---------------------------------|
| HESI | Undergraduates | non mandatory | 548 | \$370 | \$202,760 |

Fee Increase Justification

Please justify the need for a new fee & all mandated and programmatic costs that will be associated.

We are requesting a new fee of \$370 for undergraduate students in the College of Nursing. This fee will assist the CON to mandate that all students (beginning as freshmen) participate in computerized testing in preparation for the licensure exam (NCLEX) upon graduation.

Colleges/Schools of nursing across the country are increasingly administering computerized exams developed by Health Education Systems, Inc (HESI) to evaluate student and program outcomes and provide evidence-based rationale for curriculum development and modification. HESI exams are administered to students for two reasons: (1) Evaluate how the program [college/school] is working; providing evidence so the curriculum can be changed or modified, (2) Assess students' knowledge and ability to apply nursing concepts within specific content areas and predict their level of success on NCLEX.

The CON strongly believes HESI Exams are critical in preparing students for their licensure exam. A Task Force has been formed in the CON of faculty working directly with undergraduate students to look at best practices associated with HESI testing in the classroom and as a remediation tool.

Currently HESI testing occurs in the Junior and Senior year w/students paying for each exam separately. We would like to move HESI testing down to freshmen level and have a way of having the total fee for four years of testing per student (\$370) built into their tuition/fee bill.

NEW NON-MANDATORY STUDENT FEE-TEMPLATE

Fee Name: **Umass In Lisbon**

Fee Information:

| Fee | Participant (s) Paying Fee | Fee Type (Optional/One-Time/ Surcharge) | FY 2012 est. # of payers | FY2013 Fee Charged per person | FY2013 Projected Revenues |
|-----------------|-------------------------------|---|-----------------------------|-------------------------------------|---------------------------------|
| Umass In Lisbon | Undergraduates In-State | non-mandatory | 15 | \$11,086 | \$166,290 |
| Umass In Lisbon | UGrad out-of-state | non-mandatory | 3 | \$16,603 | \$49,808 |
| Umass In Lisbon | UGrad Regional/Proximity | non-mandatory | | \$12,502 | |

Fee Increase Justification

Please justify the need for a new fee & all mandated and programmatic costs that will be associated.

UMass in Lisbon, sponsored by the UMass Dartmouth Center for Portuguese Studies with the support of the Luso-American Foundation, offers American students the opportunity to spend a semester or year in the vibrant capital city of Lisbon learning about the vast Portuguese-speaking world and European Union. This program will be run through PCE as it is open to students from other Universities.

UMass in Lisbon is a unique program of the University of Massachusetts system, with the cooperation and support of the Luso-American Foundation. All students pay charges based on the structure of charges at UMass Dartmouth.

Cost to run program is \$204,092.14

Breakout of Costs:

Marketing/Admin \$ 7,500
Scholarships \$12,500
Field Trip Expenses \$12,048
Course Expenses \$58,879
Lodging/Living Expenses \$58,285
Travel \$1,280

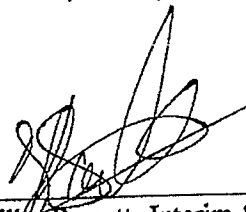
**EXTRACT FROM THE RECORDS OF
UNIVERSITY OF MASSACHUSETTS**

L. Zunilka Barrett, Interim Secretary to the Board of Trustees of the University of Massachusetts, do hereby certify that the following is a true and complete copy of a vote duly adopted by the Board of Trustees of the University of Massachusetts at a meeting duly called and held on the sixth day of June, two-thousand and twelve, at the University of Massachusetts Dartmouth, Woodland Commons Center, 285 Old Westport Road, North Dartmouth, Massachusetts:

VOTED: To approve the FY2013 University Operating Budget as contained in Doc. T12-037, and to approve the Statements of Trust contained in Appendix A of said Doc. T12-037.

I further certify that said vote is in full force and effect as of the date hereof and that Robert L. Caret is President of the University of Massachusetts with its University Administration Office located at 225 Franklin Street, Boston, County of Suffolk in the Commonwealth of Massachusetts.

Date: February 14, 2013



Zunilka Barrett, Interim Secretary to
the Board of Trustees

**Attachment 4 – Letter from Senior Vice President Christine Wilda with
historical and projected financial information**



University of Massachusetts

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Office of the President
333 South Street, Suite 400
Shrewsbury, Massachusetts 01545

Phone: 774-455-7549
Fax: 774-455-7730
www.massachusetts.edu

Christine Wilda
Senior Vice President for Administration and Finance & Treasurer

February 14, 2013

Mr. Glen Shor, Secretary
Executive Office for Administration and Finance
State House Room 373
Boston, Massachusetts 02133

Dear Secretary Shor:

In connection with the project approval request letter scheduled for submission February 15, 2013 by Executive Director Craven of the University of Massachusetts Building Authority to your attention, this memorandum addresses the planning activities and financial analysis used to determine the affordability of the University's capital initiatives. Enclosed you will find the historical and projected financial metrics for the University System and for each of our campuses that have projects included in this approval request. I have also enclosed the guidelines issued by my staff in development of the 2012 Financial Projections summary.

As Senior Vice President for Administration and Finance & Treasurer of the University of Massachusetts, I have reviewed the projected budgetary information enclosed within this letter and confirm that such projections take into account any expected operating budget impacts of the projects for which approval is being sought and that the revenue and expense projections are based upon reasonable assumptions. The forecasts include the costs associated with capital initiatives, enrollment growth goals, financial aid requirements, and human resource expenses needed to maintain the financial stability and academic quality of the University. The requested project approvals and related financing strategy are in compliance with the University's debt affordability policy and are consistent with the capital plan approvals voted upon by the University's Board of Trustees. However, I should point out that the Boston Campus doesn't have the required Board of Trustees' approval to exceed the 8% debt service to operations level. As such, I would not permit them to borrow the entire amount of project funds they are seeking in the FY13-17 time period if the financial assumptions prove to be valid and the Board doesn't issue a waiver due to the fact that the campus debt level would be approximately 9% in FY17.

Senior leadership is cognizant of the fact that new construction projects will not only add to the debt service that each campus handles, but can also increase annual operating costs. To make sure that these costs are fully understood and captured, the campuses are responsible for including the additional costs to maintain the level of teaching and support services for the new or renovated facilities in their operating budgets and financial indicator reports. Major capital initiatives are to be supported by an achievable financial plan that includes servicing the debt and meeting any new or increased operating costs, which must also include the funding of a replacement and renovation reserve.

In collaboration with the President Caret, the UMass Board of Trustees, and Executive Director Craven, I have implemented additional process controls and review points to ensure that the University is investing in its capital program in the most effective manner possible. On top of a more stringent project approval process and a more integrated relationship between the University and the Building Authority, the President's Office has imposed the requirement that the University's Board be given quarterly updates on the status of each capital project inclusive of project cost, schedule, financing, and scope.

I hope that you find this information helpful to your analysis. Please do not hesitate to contact me with any questions.

Congratulations on your new position.

Sincerely,



Christine Wilda

Senior Vice President for Administration and Finance & Treasurer

cc: Katherine Craven, Scott Jordan

University of Massachusetts
 Amherst Campus Financial Projection
 EOAF Capital Approval Process
 February 14, 2012

| | Actual | | | | | Projected | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|
| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
| Existing Debt Service | \$38,948 | \$32,248 | \$50,402 | \$49,683 | \$50,618 | \$58,240 | \$63,702 | \$62,560 | \$61,218 | \$60,939 |
| Annual Debt Issuance | | | | | | \$101,460 | \$95,000 | \$95,000 | \$88,540 | |
| Annual Debt Service on New Debt | | | | | | \$0 | \$9,831 | \$12,966 | \$16,101 | \$25,080 |
| Total Annual Debt Service | \$38,948 | \$32,248 | \$50,402 | \$49,683 | \$50,618 | \$58,240 | \$73,533 | \$75,526 | \$77,320 | \$86,019 |
| Annual Operating Expense | \$793,581 | \$761,860 | \$813,592 | \$867,230 | \$914,847 | \$959,638 | \$1,029,165 | \$1,079,849 | \$1,126,854 | \$1,172,753 |
| Annual Operating Revenue | \$838,728 | \$821,709 | \$890,818 | \$907,879 | \$951,550 | \$983,246 | \$1,033,408 | \$1,076,444 | \$1,119,828 | \$1,165,647 |
| Annual Debt Service to Operating Expense Ratio | 4.9% | 4.2% | 6.2% | 5.7% | 5.5% | 6.1% | 7.1% | 7.0% | 6.9% | 7.3% |
| Unrestricted Net Assets Balance | \$152,855 | \$151,765 | \$210,906 | \$209,232 | \$226,731 | \$211,970 | \$197,590 | \$186,197 | \$178,287 | \$171,617 |

University of Massachusetts
Boston Campus Financial Projection
EOAF Capital Approval Process
February 14, 2012

| | Actual | | | | | Projected | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
| Existing Debt Service | \$13,068 | \$14,482 | \$13,217 | \$13,764 | \$16,066 | \$17,461 | \$19,195 | \$18,832 | \$18,407 | \$18,318 |
| Annual Debt Issuance | | | | | | \$96,120 | \$90,000 | \$90,000 | \$83,880 | |
| Annual Debt Service on New Debt | | | | | | \$0 | \$9,314 | \$12,284 | \$15,254 | \$23,760 |
| Total Annual Debt Service | \$13,068 | \$14,482 | \$13,217 | \$13,764 | \$16,066 | \$17,461 | \$28,509 | \$31,116 | \$33,661 | \$42,078 |
| Annual Operating Expense | \$266,333 | \$266,299 | \$275,926 | \$297,108 | \$318,151 | \$345,406 | \$376,245 | \$417,687 | \$437,339 | \$466,553 |
| Annual Operating Revenue | \$273,537 | \$270,150 | \$301,670 | \$311,097 | \$325,008 | \$353,725 | \$375,243 | \$402,671 | \$438,161 | \$468,459 |
| Annual Debt Service to Operating Expense Ratio | 4.9% | 5.4% | 4.8% | 4.6% | 5.0% | 5.1% | 7.6% | 7.4% | 7.7% | 9.0% |
| Unrestricted Net Assets Balance | \$34,673 | \$51,966 | \$76,795 | \$93,738 | \$89,796 | \$80,572 | \$81,905 | \$80,182 | \$82,190 | \$95,270 |

University of Massachusetts
Dartmouth Campus Financial Projection
EOAF Capital Approval Process
February 14, 2012

| | Actual | | | | | Projected | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
| Existing Debt Service | \$15,543 | \$16,456 | \$16,947 | \$18,171 | \$17,302 | \$17,920 | \$18,787 | \$18,397 | \$18,938 | \$17,842 |
| Annual Debt Issuance | | | | | | \$16,020 | \$15,000 | \$15,000 | \$13,980 | |
| Annual Debt Service on New Debt | | | | | | \$0 | \$1,552 | \$2,047 | \$2,542 | \$3,960 |
| Total Annual Debt Service | \$15,543 | \$16,456 | \$16,947 | \$18,171 | \$17,302 | \$17,920 | \$20,339 | \$20,444 | \$21,480 | \$21,802 |
| Annual Operating Expense | \$197,294 | \$192,056 | \$197,857 | \$218,340 | \$227,724 | \$239,844 | \$252,728 | \$260,396 | \$270,017 | \$282,704 |
| Annual Operating Revenue | \$196,906 | \$196,293 | \$206,288 | \$221,347 | \$226,780 | \$242,591 | \$252,298 | \$264,965 | \$277,343 | \$290,672 |
| Annual Debt Service to Operating Expense Ratio | 7.9% | 8.6% | 8.6% | 8.3% | 7.6% | 7.5% | 8.0% | 7.9% | 8.0% | 7.7% |
| Unrestricted Net Assets Balance | -\$3,267 | \$2,628 | \$9,002 | \$11,823 | \$10,940 | \$13,254 | \$15,520 | \$17,180 | \$23,149 | \$30,443 |

University of Massachusetts
Lowell Campus Financial Projection
EOAF Capital Approval Process
February 14, 2012

| | Actual | | | | | Projected | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
| Existing Debt Service | \$8,989 | \$9,743 | \$9,708 | \$11,451 | \$14,284 | \$15,658 | \$17,199 | \$16,877 | \$16,499 | \$16,420 |
| Annual Debt Issuance | | | | | | \$53,400 | \$50,000 | \$50,000 | \$46,600 | \$0 |
| Annual Debt Service on New Debt | | | | | | \$0 | \$5,174 | \$6,824 | \$8,474 | \$13,200 |
| Total Annual Debt Service | \$8,989 | \$9,743 | \$9,708 | \$11,451 | \$14,284 | \$15,658 | \$22,374 | \$23,702 | \$24,973 | \$29,620 |
| Annual Operating Expense | \$229,958 | \$230,473 | \$243,852 | \$273,286 | \$305,296 | \$331,284 | \$360,206 | \$387,229 | \$408,165 | \$429,158 |
| Annual Operating Revenue | \$237,443 | \$236,568 | \$273,873 | \$292,272 | \$304,881 | \$326,114 | \$356,684 | \$383,444 | \$406,783 | \$443,993 |
| Annual Debt Service to Operating Expense Ratio | 3.9% | 4.2% | 4.0% | 4.2% | 4.7% | 4.7% | 6.2% | 6.1% | 6.1% | 6.9% |
| Unrestricted Net Assets Balance | \$18,973 | \$27,397 | \$55,235 | \$74,846 | \$66,819 | \$76,304 | \$77,930 | \$86,719 | \$94,560 | \$106,457 |

University of Massachusetts
 UMass System Financial Projection
 EOAF Capital Approval Process
 February 14, 2012

| | Actual | | | | | Projected | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 |
| Existing Debt Service | \$100,420 | \$111,682 | \$118,291 | \$129,722 | \$141,981 | \$163,470 | \$178,166 | \$174,884 | \$172,029 | \$170,225 |
| Annual Debt Issuance | | | | | | \$267,000 | \$250,000 | \$300,000 | \$233,000 | |
| Annual Debt Service on New Debt | | | | | | \$0 | \$25,872 | \$34,122 | \$45,672 | \$69,300 |
| Total Annual Debt Service | \$100,420 | \$111,682 | \$118,291 | \$129,722 | \$141,981 | \$163,470 | \$204,038 | \$209,006 | \$217,701 | \$239,525 |
| Annual Operating Expense | \$2,240,057 | \$2,460,790 | \$2,629,477 | \$2,852,908 | \$2,654,060 | \$2,885,692 | \$3,045,291 | \$3,170,773 | \$3,280,999 | \$3,479,000 |
| Annual Operating Revenue | \$2,305,202 | \$2,500,109 | \$2,778,424 | \$2,908,791 | \$2,718,175 | \$2,898,194 | \$3,039,535 | \$3,182,016 | \$3,312,184 | \$3,472,540 |
| Annual Debt Service to Operating Expense Ratio | 4.5% | 4.5% | 4.5% | 4.5% | 5.3% | 5.7% | 6.7% | 6.6% | 6.6% | 6.9% |
| <i>EMK Institute Maximum Debt Obligation</i> | | | | | | \$1,250 | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Annual Debt Service to Operating Expense Ratio with EMK Obligation | | | | | | 5.7% | 6.7% | 6.6% | 6.7% | 6.9% |
| Unrestricted Net Assets Balance | \$448,065 | \$473,651 | \$600,473 | \$655,482 | \$679,418 | \$684,558 | \$686,269 | \$722,314 | \$769,786 | \$845,595 |

**Attachment 5 - Guidelines issued by the President's Office for the
development of the FY2013 operating budget**

Guidelines for the Development and Approval of the FY2013 University Operating Budget

The following guidelines are to be used to develop the FY2013 University Operating Budget and to fulfill provisions of the Policy for the Management of University Funds (T92-031).

The Operating Budget, along with any changes in statements of trust or proposed new trust funds, will be presented to the Board of Trustees for approval during the June Board cycle

Deadlines & important dates

- **May 7th:** Campus tables, narrative, and Chancellor's cover letter requesting budget approval due in President's Office
- **May 30th:** Administration & Finance Committee meeting
- **June 6th:** Board of Trustees meeting

Assumptions for Preparing the FY2013 Operating Budget

The templates to be completed for the FY2013 Operating Budget include:

- **FY2013 Operating Budget Statement:** Please provide actual for FY2010 and FY2011 and provide FY2012 anticipated final and FY2013 budgeted revenue and expenditure figures.
- **FY2013 Expenditures by Natural Classification:** Please provide actuals for FY2010 and FY2011, FY2012 anticipated final, and FY2013 budgeted expenditures by the natural classification.
- **FY2013 Summary of Full-Time Equivalent (FTE) Employees:** Provide Fall 2009, Fall 2010, and Fall 2011 actual along with Fall 2012 projected figures for restricted and non-restricted funded positions.
- **FY2013 Summary of Full-time Equivalent and Headcount Enrollment:** Please provide the Fall 2009-2012 projected headcount and FTE enrollment figures for undergraduate and graduate students (consistent with Table 7 from University Student Profile Report).

Please use the following assumptions and guidelines in preparing the Operating Budget templates:

1. **State Appropriations:** The total University appropriation for FY13 should be estimated at the \$418 million included in the Governor's proposed budget (plus the amount estimated for retained tuition; \$28,005,556 at Amherst, \$6,070,401 at Boston, \$2,051,716 at Dartmouth, \$3,437,102 at Lowell, and \$18,670 at Worcester.) To calculate your state appropriation amount taking into consideration the assumptions used for non-resident tuition retention, add the total estimated retained tuition to the state appropriation, deduct the Health & Welfare charge, apply your standard campus allocation percentage to the subtotal, and then net out the estimated retained tuition for your campus.

In regards to the additional line items historically funded, please remain consistent with the additional appropriations and earmark language included in the Governor's budget as well.

2. **Inflation:** As in the Fee and Revenue-based Budgets, you should budget for no more than 3.0% in aggregate increases for non-personnel operating expenses.
3. **Tuition & Fees:** Assume a 2% increase on mandatory charges based off of the rates approved by the Board in FY2012.
4. **Fee and Revenue-Based Operating Funds:** Should be consistent with budgets submitted to the President's Office.
5. **Sales and Services, Sponsored Research, Other:** Changes in revenues and expenses will vary from campus to campus and should be based on campus projections.
6. **Capital Costs/Debt Service:** Each campus should be budgeting for all debt service payments (e.g. repair, renewal and deferred maintenance) in accordance with the FY2012 – FY2016 University Capital Plan, unless the campus has updated its debt plans. If there are any updates, please provide additional details of these changes.
7. **Fringe Benefits:** The latest proposed fringe rate from OSC for FY2013 is 27.87% plus 1.22% for payroll taxes. There is the possibility that the rates could be adjusted in the future. Campuses should use these same rates for fringe benefits and payroll taxes for all non-state non-grant funds. Grant fund proposals will have to follow the provisional rates. As in the past, the Worcester campus should use the rate agreed upon in its memorandum of understanding with the Executive Office for Administration and Finance.
8. **Workers Compensation:** Campuses should look at their individual experience and budget as appropriate for FY2013, based on current costs and anticipated increases or decreases.
9. **Health and Welfare Payments:** Health and Welfare costs for FY2013 are expected to be \$15 per employee per week and should be budgeted for accordingly.
10. **Collective Bargaining:** Assume that Governor's budget proposal holds through the legislative process resulting in funding for the third year of the existing contracts and first year of the new contracts currently near ratification. **However, increases corresponding to contracts should be assumed for non-unit staff.** If the House Ways & Means budget scheduled for release on April 11th has a different approach on the collective bargaining funding, we will need to adjust the assumptions.

Guidelines for Budget Narratives

Campuses should prepare narratives that reflect the programs, operations and priorities for FY2013. The narratives should detail the impact and your response to the recent declines in state support. Please summarize your academic and administrative priorities for expenditure and revenue activity for the approaching fiscal year. Also, detail how these priorities reflect campus long-range strategic goals and the strategic priorities of the University, which include the following:

- Enhance Student Learning Experience
- Maintain Affordability and Access
- Continue a Focus on Diversity and Positive Climate
- Strengthen Research Enterprise
- Increase Endowment
- Develop First-Rate Infrastructure
- Improve Delivery of Administrative and IT Services
- Position University in the Higher Education Marketplace

In addition, please discuss significant changes from the current fiscal year as well as campus-specific assumptions regarding the following:

- Revenues
- Expenditures
- Surplus/Deficit
- Enrollment and Employee Projections
- Other assumptions impacting budget plan

Finally, campuses should describe recent and planned additions, changes, eliminations, or restructuring of major programs, departments, divisions and activities.

Changes in Statements of Trust / New Trust Funds

Any changes in statements of trust and proposed new trust funds will be presented to the Board as an appendix to the FY2013 Operating Budget. Each campus has received guidelines and templates for completing the FY2013 Fee and Revenue-based Operations budgets, along with a template that must be completed for any changes or proposed new statements of trust. It is important that the statements of trust for each fee and revenue-based operation reflect the activities and purposes for which the trusts were originally established. Please review all statements of trust and use the template provided (FY2013 Changed or Proposed New Statement of Trust) to detail changes or amendments that need to be made, as well as to propose the creation of new trust funds.

The Board will vote on both the FY2013 Operating Budget and amended/new statements of trust during the June meeting cycle.

Please contact Joe Naughton at (774) 455-7562 or Kristin Rainey at (774) 455-7561 with questions.

Attachment 6 - The University's Debt Policy

UNIVERSITY OF MASSACHUSETTS DEBT POLICY

I. Introduction

The University needs to make periodic capital investments in order to fulfill its mission, which requires decisions that impact the University's credit. Debt can provide a low-cost source of capital for the University to fund investments to achieve its mission and strategic objectives. The use of debt should be part of a financial strategy that is developed in support of master and strategic planning at the campuses, which in turn should be developed in support of the University's strategic planning.

II. Objectives

- To provide guidance on the use of debt proceeds to support the university's capital needs while achieving the lowest overall cost of capital. The Board of Trustees and University Management maintain the ability to make judgments as to the appropriateness, financing, and timing of capital investments.
- To provide a framework for evaluating the capital structure of the University. This Policy is intended to help the University manage the cost of capital, limit debt-related risk, and monitor debt levels. The University should maintain a cost-effective strategy that allows for the investment in new properties and the renovation or replacement of existing capital assets.
- Use of key financial ratios to provide assurance to Management and the Trustees that the University is not exceeding its capacity. Management will regularly evaluate key financial ratios to provide the Trustees with an overview of the financial health of the institution and its current and projected debt capacity.

III. Debt Policies

With the understanding that the University has limited financial resources, management will allocate the use of debt financing within the university with the approval of the Board of Trustees. This will involve approving the issuance of debt for construction, equipment financing, real estate opportunities, and other capital projects. The following guidance will be used, although it is not intended to be all-inclusive, and decisions by the Board and Management ultimately will determine the application of debt.

- The University's campuses will work collaboratively with Management to determine debt capacity. The use of debt financing will only be permitted for projects approved through the University's capital planning process. The campuses will service the debt, and the associated costs, related to the financing done on their behalf.

- A deliberative approach should be implemented to take advantage of market opportunities, to leverage additional funding sources, and to match the project costs with the useful life of capital investments.

- A project that has a related revenue stream and/or can create budgetary savings will receive favorable consideration. The use of debt must be supported by an attainable financial plan that includes servicing the debt and meeting any new or increased operating costs, which should include the funding of a replacement and renovation reserve.

- Financing plans should include all revenue sources including privately-raised funds, project-generating revenues, government grants, state appropriations, student fees, and other sources expected to finance a portion of the cost of a project.

- Raising private funds for capital activity is expected to be a major source of financing the university's investments. A long-range capital plan that addresses the strategic needs of the university is fundamental to the success of capital fundraising efforts. Annually, an updated five-year capital plan will be reviewed and approved by the Board of Trustees. In order to utilize debt for a capital investment a written request must be made to the President or his/her designee.

- To fulfill their respective fiduciary responsibilities, it is critical that the Board of Trustees and Management know the extent of debt obligations. The Senior Vice President for Administration, Finance, and Technology will provide an annual report to the Board of Trustees covering such topics as financial ratios, outstanding debt, annual debt service, available capacity, and credit ratings. Capacity analysis should take into consideration existing debt service, lease obligations, and other contracted payment obligations. At a minimum, the following ratios are to be monitored using the forecast of the current year and five-year projections:

Ratio #1: Debt Burden = Actual Debt Service/Total Expenses:

By maintaining an appropriate proportion of debt service to total expenses, other critical and strategic needs can be met as part of the expense base. The ratio should be no greater than 8% for the University or a campus. An individual campus may exceed 8% if so authorized by a vote of the Board of Trustees, but may at no time exceed 10%. By keeping debt service within this limit, the University will ensure that debt service remains affordable and future debt does not impact existing programs.

Ratio #2 Viability Ratio = Expendable Net Assets/Long-Term Debt:

The viability ratio measures the availability of expendable net assets to cover debt should the University be required to repay its outstanding obligations. A limited viability ratio makes it difficult for the University to respond to adverse conditions from internal resources. It will also impact its ability to attract debt financing from external resources to fund capital initiatives.

These ratios will be reviewed and monitored annually for the University and for each campus of the University.

- The University will provide rating agencies and other interested parties with timely access to financial information and Management will monitor financial activity in light of rating agency guidelines.

- In managing its debt portfolio, the University has the flexibility to select the most economically prudent financing vehicle. Using various financing options while structuring the portfolio, such as fixed rate debt, variable rate debt, derivative instruments, and including federal interest rate subsidies that may be available, can limit interest rate exposure and reduce debt service costs. The University should evaluate all legally available conduits for borrowing, such as the University of Massachusetts Building Authority, the Worcester City Campus Corporation, the Massachusetts Higher Education Finance Authority, and other options that become available.

- The University will monitor financial and other debt covenants and tax representations and regulations to ensure compliance.

- This Policy will be reviewed periodically by the Board and guidance may be modified as necessary by the President to reflect changing conditions.

UNIVERSITY OF MASSACHUSETTS BOARD OF TRUSTEES

COMMITTEE: Administration and Finance – September 25, 2009

ACTION ITEM #a,1: University Debt Policy

DATE: BoT – September 30, 2009

DOC. & VOTE I.D. #: T09-050

VOTED: To approve a University Debt Policy.

Guidelines for the Development of the 2012 Financial Indicators Report

The following guidelines are to be used to develop the 2012 Financial Indicators Report. The President's Office is coordinating the collection, analysis, and presentation of this report with the FY2013 Operating Budget. It is expected that each campus will complete both reports utilizing the same planning assumptions to ensure that the final reports reflect consistent actual and budgeted data.

As part of the annual review, campuses present both actual results from previous years and five years of projected performance. In recent years, the presentation has been coordinated with the University Controller's annual ratio analysis with comparisons to system peers.

The financial indicators are reported in summary as part of the University Performance Measurement System and the Annual Indicators Report as well as separately in full detail in the annual Financial Indicators Report. Each campus's 2012 Financial Indicators Report should reflect the assumptions outlined below and the actions being taken to adjust to the changing financial landscape for the period under review (FY2012 through FY2017).

Below are guidelines for completing your campus' narrative and data template, as well as assumptions/definitions of relevant terms to be used in the calculations.

Please note that the Financial Indicators tables are to be completed for the current fiscal year (FY2012 anticipated), and five years of projections (FY2013 - FY2017). The data reported for FY2012 and FY2013 should be consistent with the FY2012 University Operating Budget.

Deadlines & important dates:

- **May 7, 2012:**
 - **FY2012 Anticipated Results and FY2013 to FY2017 Financial Indicator Projections.** Final campus reports, narratives, and Chancellor's cover letter are due to the President's Office.
 - **May 30, 2012:** Administration & Finance Committee Meeting
 - **June 6, 2012:** Full Board of Trustees Meeting
-

Campus Narratives:

A. Campus narratives should discuss changes that occurred during the current fiscal year and anticipated future changes, as well as campus-specific assumptions regarding the following:

- Revenues
- Expenditures
- Surplus/Deficit
- Enrollment and employee projections; Projections of in-state/out-of-state student mix
- FY2011 comparison of financial indicators with peer institutions
- Other assumptions impacting the budget plan, financial projections and targets

B. Campus narratives shall reflect the campus' programs, operations, and priorities for FY2013-2017, as well as the relationship between the financial indicators/projections and current financial and academic goals. Additionally, the narratives shall summarize the academic and administrative priorities for expenditure and revenue activity for FY2013-2017. Furthermore, each campus shall detail how it's academic, administrative, and financial goals reflect the Strategic Priorities of the University, which include:

- Enhance Student Learning Experience
- Maintain Affordability and Access
- Continue a Focus on Diversity and Positive Climate
- Strengthen Research Enterprise
- Increase Endowment
- Develop First-Rate Infrastructure
- Improve Delivery of Administrative and IT Services
- Position University in the Higher Education Marketplace

C. Finally, campuses should describe recent and planned additions, changes, eliminations, or restructuring of major programs, departments, divisions and activities.

Data Templates:

Financial Indicators – Tables 1 - 9 and Peer Comparison Workbook

Below are the financial indicators to be calculated by each campus. Please use the FY2012 anticipated figures as the base year for the financial data projections for FY2013 to FY2017.

- 1) **Statement of Revenues, Expenses and Changes in Net Assets:** Please maintain the consistency with the FY2013 Operating Budget Statement, which includes FY2012 anticipated and FY2013 budgeted revenue and expenditure figures.
- 2) **Statement of Net Assets:** Follow the methods for creating the Financial Statements. This Statement will be based on FY12 anticipated, and FY13-17 projected data.

University Performance Measurement System (UPMS) Indicators

The following financial indicators will be reported in the 2012 Report on Annual Indicators as part of the University Performance Measurement System (UPMS)

- 3) **Return on Net Assets:** Increase/Decrease in net Assets divided by Total Net Assets at beginning of the Year. This indicator is replacing the Operating Margin for the UPMS report.
- 4) **Financial Cushion:** Unrestricted net assets divided by total operating expenses (including interest expense).
- 5) **Debt Service to Operations:** Interest payments plus principal payments divided by total operating expenses (including interest expense).
- 6) **Endowment per Student*:** UMass endowments plus Foundation endowments plus quasi endowments divided by annualized FTE students.
- 7) **Private Funds Raised Annually*:** Includes restricted and unrestricted income from individuals, foundations, corporations, and other organizations. These amounts include private grant revenues, but not private contract revenues. Total for each year include cash (not in-kind) and asset additions made in that year.

*The historical fundraising figures presented in the Endowment per Student and Private Funds Raised indicators have been provided directly by the Foundation. While completing the empty cells, please ensure that the reporting remains consistent with this data provided through FY11.

Additional Financial Indicators for Analysis - Reported in Annual Financial Indicators Report

- 8) **Operating Margin:** Total operating revenues (including state and federal appropriations, gifts, the TFI portion of investment income, and endowment income available for spending) less total operating expenditures (including interest expense) divided by total operating revenues.
- 9) **Total Deferred Maintenance (DM) Cost and Deferred Maintenance Cost (DM) per Square Foot of Space**

Peer Comparison Template: Please fill in the ratio results for your selected peer group.

Assumptions/Definitions: Below are any assumptions/definitions to be followed in order to complete the Financial Indicators data templates.

1. State Appropriations:

1. **State Appropriations:** The total University appropriation for FY13 should be estimated at the \$418 million included in the Governor's proposed budget (plus the amount estimated for retained tuition; \$28,005,556 at Amherst; \$6,070,401 at Boston, \$2,051,716 at Dartmouth, \$3,437,102 at Lowell, and \$18,670 at Worcester.) To calculate your state appropriation amount taking into consideration the assumptions used for non-resident tuition retention, add the total estimated retained tuition to the state appropriation, deduct the Health & Welfare charge, apply your standard campus allocation percentage to the subtotal, and then net out the estimated retained tuition for your campus.
- **FY2014, FY2015, FY2016 and FY2017:** Assume that the base state appropriation will increase 2.0% annually for FY14-FY15 and will increase by 3% annually for FY16-FY17.

2. Tuition & Fee Revenues:

- FY2013: Assume that tuition and mandatory fees will not increase more than 2.0%.
- FY2014 - FY2017:
 - *In-State Undergraduates* - Assume that tuition and mandatory fees will not increase more than 3.0% per year.
 - *Non-Resident Undergraduates & Graduate Students* - Fee increases should be determined by each campus. Please outline assumptions for projecting increases in campus narrative.
 - *Non-Mandatory Fee-Based and Revenue-Based Operations* - Assume increases of no greater than 3.0% per year.

3. **Salary & Wage Assumptions:** Assume that Governor's collective bargaining proposal holds through the legislative process resulting in funding for the third year of the existing contracts and first year of the new contracts currently near ratification. **Increases corresponding to contracts should be assumed for non-unit staff.** If the House Ways & Means budget scheduled for release on April 11th has a different approach on the collective bargaining funding, we will need to adjust the assumptions. For FY14, assume that the Commonwealth doesn't provide funding for the 3% increases scheduled. For FY15-17, assume 2% annual increases with only the FY15 increase funded by the Commonwealth.

4. **Inflation:** Assume 3.0% per year as the rate of inflation for non-personnel expenditures.

5. **Sponsored Research:** Changes in revenues and expenses will vary from campus to campus and should be based on campus projections.

6. **Capital Costs/Debt Service:** Each campus should be budgeting for all debt service payments (e.g. repair, renewal and deferred maintenance) in accordance with the FY2012 - FY2016 University Capital Plan, unless the campus has updated its capital spending and debt plans.

7. **Fringe Benefits** The latest proposed fringe rate from OSC for FY2013 is 27.87% plus 1.22% for payroll taxes. There is the possibility that the rates could be adjusted in the future. Campuses should use these same rates for fringe benefits and payroll taxes for all non-state non-grant funds. Grant fund proposals will have to follow the provisional rates. As in the past, the Worcester campus should use the rate agreed upon in its memorandum of understanding with the Executive Office for Administration and Finance. For FY2014, campuses should budget a 29% fringe rate plus 1.30% for payroll taxes. For FY2015-FY2017, campuses should budget an additional 1% per year.

8. **Workers Compensation:** Campuses should look at their individual experience and budget as appropriate for FY 2013-2017, based on current costs and anticipated increases or decreases.
9. **Health and Welfare Payments:** Health and Welfare costs for FY 2013 are expected to be \$15 per employee per week for and should be budgeted for accordingly.

UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY

Votes to Authorize the Issuance of Bonds and Related Matters

February 5, 2013

WHEREAS, on September 19, 2012, the University Trustees approved the FY13-17 University Capital Plan and authorized the President of the University and other authorized officers to make a written request of the Authority to initiate and undertake any of the projects in such plan and to finance such projects on behalf of the University;

WHEREAS, the University Trustees also approved, as required under the Authority's enabling act, refunding existing Authority debt;

WHEREAS, the Authority has received a written request from the University to initiate specific projects included in the FY13-17 University Capital Plan;

WHEREAS, in December 2012 the Authority completed a procurement process to select financial advisors and underwriters;

WHEREAS, the Authority has been exploring potential financing structures to fund the requested projects, including fixed rate, tax exempt bonds, taxable bonds, as well as interim financing programs, such as commercial paper bond anticipation notes;

WHEREAS, the Authority has adopted a Debt Management Policy and an Interest Rate Swap Policy (the "Policies"), each of which has been filed with the Commonwealth's Finance and Governance Board (formerly known as the Finance Advisory Board) ("FAB");

WHEREAS, components of the financing are subject to review by the FAB; and

WHEREAS, the Authority has reviewed the potential transactions in accordance with the Policies.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

VOTED: To authorize the issuance by the Authority or one or more series of Project Revenue Bonds and/or Facilities Revenues Bonds and/or commercial paper bond anticipation note (the "Bonds") in an aggregate principal amount outstanding at any time not to exceed \$500,000,000, pursuant to Article II of the Authority's Trust Agreement dated as of November 1, 2000 or the Authority's Trust Agreement dated as of December 1, 2000, each by and between the Authority and the trustee named therein or its successor, for the purposes of (a) making deposits to the Construction Fund under the Trust Agreement in order to pay the Costs of Projects (as defined in the Trust Agreement), (b) making deposits to the Interest Account of the applicable Debt Service Fund to pay interest on the Bonds during construction of Projects (as defined in the Trust Agreement) in such amount as the Executive Director may deem appropriate and (c) paying costs of issuance of the Bonds in such amount as the Executive Director may deem appropriate; provided

that (i) the long-term Bonds shall be sold by the Authority not later than September 1, 2013 by competitive sale or negotiated sale to a syndicate of underwriters selected by competitive process, as determined by the Executive Director, (ii) the commercial paper bond anticipation notes shall be established not later than September 1, 2013; (iii) the final maturity of the Bonds shall be not later than May 1, 2053, and (iv) the true interest cost of the long-term Bonds shall not exceed 6.00%.

VOTED: To authorize the preparation of one or more Notices of Sale, Preliminary Official Statements, final Official Statements and/or Offering Memorandum for the Bonds or bond anticipation notes, each in a form approved by the Executive Director, and to authorize the potential underwriters of the Bonds or dealers of the bond anticipation notes to use and distribute said Preliminary Official Statements, Official Statements and/or Offering Memorandum in connection with the offering and sale of the Bonds and bond anticipation notes.

VOTED: That the Authority reasonable expect to use a portion of the proceeds of the Bonds to reimburse expenditures, including expenditures made within the last 60 days, for the projects to be funded from the bonds, as set forth in the request from the University to initiate the projects, and that the maximum principal amount of the debt for such projects, including for reimbursement purposes, is expected to be \$20,000,000.

VOTED: To authorize the Executive Director, General Counsel and the Chief Financial Officer, acting singly, upon the advice of the Authority's bond counsel, to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable in connection with the issuance of the Bonds and the bond anticipation notes, including without limitation, one or more continuing disclosure agreements with respect to the Bonds, one or more Contracts for Management and Services with the University of Massachusetts and the Commonwealth, acting by and through the University of Massachusetts, one or more agreements providing for the investment of the proceeds of the Bonds and/or one or more liquidity agreements supporting the bond anticipation notes.

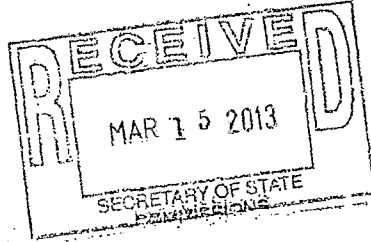
VOTED: To authorize the Executive Director and the Chief Financial Officer, acting singly, (i) to seek from the FAB a Waiver from Presumption of a Competitively Bid Financing to sell the Bonds as provided in these votes and (ii) to seek any other required review by FAB, provided that the Authority shall have received a recommendation of a financial advisor with respect to such transaction, where applicable and determined that the transactions are consistent with the Authority's core mission and cannot be substantially achieved without such structure.

VOTED: These votes shall take effect immediately upon passage.



Susanne D Ochslein
207 Larrabee Road
WESTBROOK, ME 04092

VERIFICATION CERTIFICATE



License No. N/A

Bond No.: 105764529

THIS IS TO CERTIFY that the above referenced Bond, issued by
Travelers Casualty and Surety Company of America, dated
March 20, 2012, in the amount of Fifty Thousand
(\$50,000.00) on behalf of
PHILIP W. JOHNSTON (as Principal),
and in favor of University of Massachusetts Building Authority (as Oblige),
remains in effect, subject to all agreements, conditions and limitations.

Signed, sealed and dated March 6, 2013

Travelers Casualty and Surety Company of America
By: Susanne D Ochslein
Attorney-in-Fact Susanne D. Ochslein

APPROVED AS TO FORM:
Indy [Signature] Kaman
DEPUTY GENERAL COUNSEL
3.15.13
OFFICE OF THE ATTORNEY GENERAL



IMPORTANT NOTICE REGARDING COMPENSATION DISCLOSURE

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

**PUBLIC OFFICIAL BOND
(Continuous for Indefinite Term)**

Travelers Casualty and Surety Company of America

Bond No. 105764529

KNOW ALL MEN BY THESE PRESENTS, That we PHILLIP W. JOHNSTON
of 134 TILDEN ROAD, MARSHFIELD, MA 02050
as Principal, and Travelers Casualty and Surety Company of America, a corporation duly incorporated under the laws of
the State of CT, as Surety, are held and firmly bound unto University of Massachusetts Building Authority,
as Obligee, in the penal sum of Fifty Thousand
(\$50,000.00) Dollars, lawful money of the United
States of America, for the payment of which well and truly to be made, said principal binds himself/herself, his/her heirs, executors,
administrators and assigns, and said Surety binds itself, its successors and assigns, jointly and severally, firmly by these presents the
liability of the Surety, however, being limited to the penal amount above named regardless of the number of years this bond remains
in force or the number of premiums paid.

WHEREAS, the said Principal has been Appointed to the office of Secretary/Treasurer
for an indefinite term beginning March 20, 2012, and is required to furnish a bond for the faithful performance of the
duties of the said office or position.

NOW, THEREFORE THE CONDITION OF THIS OBLIGATION is such that if the above bounden Principal shall (except as
hereinafter provided) faithfully perform the duties of his/her said office or position during the time this bond remains in force, and
shall pay over to the persons authorized by law to receive the same all moneys that may come into his/her hands during the said time
without fraud or delay, and at the expiration of said time, shall turn over to his/her successor all records and property which have
therefore come into his/her hands, then this obligation to be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that the above named Surety shall not be liable hereunder for any loss of any public fund resulting from
the insolvency of any bank or banks in which said funds are deposited; and, if this provision shall be held void, this entire bond shall
be void.

AND PROVIDED FURTHER, that any party to this instrument may cancel the same at any time, with or without cause, by notifying
both of the others by certified mail of an intention thereby to cancel, in which event such cancellation shall be fully effective at the
expiration of thirty (30) days from the mailing of such notice. In the absence of such a notice, and if there should be no cancellation
by agreement between all of the parties hereto, the bond shall remain continuously in force and effect, in the penal amount above
named, as long as the principal holds the said office or position.

SEALED and dated this March 28, 2012

[Signature]
Witness

By: [Signature]
PHILLIP W. JOHNSTON, Principal
Travelers Casualty and Surety Company of America

By: [Signature]
Susanne D. Ochsenbein, Attorney-in-Fact

S-2233 (06-08)

APPROVED AS TO FORM:
[Signature] KALMAN
Deputy General Counsel
3.15.13 Office of the Attorney General



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Susanne D Ochsenbein
207 Larrabee Road
WESTBROOK, ME 04092

License No: N/A

RIDER

To be attached to and form part of Bond No. 105764529.

Issued on behalf of PHILIP W. JOHNSTON
as Principal, and in favor of University of Massachusetts Building Authority
as Obligee.

It is agreed that:

1. The Surety hereby gives its consent to change the Name:

from: Phillip W. Johnston

to: Philip W. Johnston

2. The Surety hereby gives its consent to change the Address

from:

to:

3. The Surety hereby gives its consent to change the

from:

to:

4. This rider shall become effective as of March 20, 2012

PROVIDED, however, that the liability of the Surety under the attached bond as changed by this Rider shall not be cumulative.

Signed, sealed and dated: March 6, 2013

Travelers Casualty and Surety Company of America

By: Susanne D. Ochsenbein
Susanne D. Ochsenbein Attorney-in-Fact

Accepted: University of Massachusetts Building A or PHILIP W. JOHNSTON
Obligee Principal

By: _____

By: Philip W. Johnston



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 220533

Certificate No. 002664023

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Linda J. Hodgdon, Paul Jacques, Susanne D. Ochsenbein, Karen Peterson, Matthew Blaisdell, and Jeffrey M. Johnson

of the City of Westbrook, State of Maine, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 15th day of October, 2008

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 15th day of October, 2008, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 28th day of March, 20 12

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



University of Massachusetts Building Authority

THE COMMONWEALTH OF MASSACHUSETTS UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY

This is to certify that Philip W. Johnston is the duly elected and qualified Secretary-Treasurer of the University of Massachusetts Building Authority, effective as of March 20, 2012.

Date: March 15, 2013

Katherine P. Craven
Katherine P. Craven
Executive Director
University of Massachusetts Building Authority

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK, ss.

On this 15 day of March, 2013, before me, the undersigned notary public, personally appeared Katherine P. Craven, proved to me through personal knowledge to be the person whose name is signed on the aforementioned document, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of her knowledge and belief.

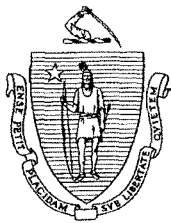


Jennifer A. Allen
Notary Public

Notary Name Printed: Jennifer A. Allen

My Commission Expires: 7/6/18

4832-2313-1407.1



Steven Grossman
Treasurer and Receiver General

The Commonwealth of Massachusetts
Department of the State Treasurer
State House
Boston, Massachusetts 02133

March 8, 2013

University of Massachusetts
Building Authority
225 Franklin Street
Boston, Massachusetts 02110

Attention: Ms. Katherine Craven
Executive Director

Members of the Authority:

I have received a copy of the substantially final form of the Contract of Purchase between the University of Massachusetts Building Authority (the "Authority") and J.P. Morgan Securities LLC, on behalf of itself and the other underwriters listed therein, pertaining to the Authority's Project Revenue Bonds, Senior Series 2013-1 and Senior Series 2013-2 (Federally Taxable)(collectively, the "Bonds").

The Contract of Purchase provides for the sale of the Bonds at the prices, on the terms and subject to the conditions set forth in the Contract of Purchase

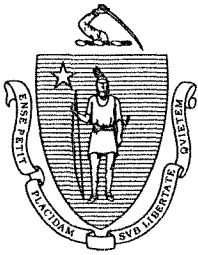
You have requested the approval by the Treasurer and Receiver-General or his designee of the sale of the Bonds and the terms thereof as required by Section 7 of the Authority's enabling act, Chapter 773 of the Acts of 1960, as amended.

I hereby approve the sale by the Authority of the Bonds, in each case, at the prices, on the terms and subject to the conditions set forth in the applicable Contract of Purchase, as referenced above.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Grossman", written over a horizontal line.

Steven Grossman
Treasurer and Receiver-General



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE ■ ROOM 373
BOSTON, MA 02133

RECEIVED
MAR 13 2013

DEVAL L. PATRICK
GOVERNOR

TEL: (617) 727-2040
FAX: (617) 727-2779
www.mass.gov/eoaf

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

GLEN SHOR
SECRETARY

March 8, 2013

University of Massachusetts
Building Authority

Attention: Ms. Katherine Craven
Executive Director

Members of the Authority:

I have received a copy of the substantially final form of the Contract of Purchase between the University of Massachusetts Building Authority (the "Authority") and J.P. Morgan Securities LLC, on behalf of itself and the other underwriters listed therein, pertaining to the Authority's Project Revenue Bonds, Senior Series 2013-1 and Senior Series 2013-2 (Federally Taxable)(collectively, the "Bonds").

The Contract of Purchase provides for the sale of the Bonds at the prices, on the terms and subject to the conditions set forth in the Contract of Purchase

You have requested the approval by the Secretary of Administration and Finance or his designee of the sale of the Bonds and the terms thereof as required by Section 7 of the Authority's enabling act, Chapter 773 of the Acts of 1960, as amended.

I hereby approve the sale by the Authority of the Bonds, in each case, at the prices, on the terms and subject to the conditions set forth in the Contract of Purchase, as referenced above.

Very truly yours,

A handwritten signature in black ink, appearing to read "Glen Shor".

Glen Shor



FINANCE AND GOVERNANCE BOARD

Re: University of Massachusetts Building Authority

I, Lori D. Hindle, hereby certify that I am the Secretary of the Finance and Governance Board of The Commonwealth of Massachusetts (the "Board"), and I hereby further certify that at a meeting of the Board held on February 25, 2013, of which meeting due notice was given to all members of the Board and to the public in accordance with the requirements of the open meetings law and at which a quorum was present, a vote was unanimously passed in connection with the sale of the Bonds, as follows:

RESOLVED:

To authorize the University of Massachusetts Building Authority (i) to issue Project Revenue Bonds and Project Revenue Commercial Paper Bond Anticipation Notes in an aggregate principal amount up to \$500,000,000 for new money or refunding purposes in one or more transactions; (ii) to price the bonds and to implement the commercial paper note program in any such transaction(s) on a date no later than August 31, 2013; and (iii) to sell any such bonds and/or notes on a negotiated basis.

IN WITNESS WHEREOF, I hereunto set my hand as of this 20th day of March, 2013.



Lori D. Hindle
Secretary of the Finance and Governance Board
of The Commonwealth of Massachusetts