

DRAFT



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



Fiscal Year 2011 Operating Budget



DRAFT

OPERATING BUDGET

for Fiscal Year 2011

SUMMARY & FINANCIAL OVERVIEW



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 2008 and FY 2009 actual data are provided from the audited statements and are compared to projected figures for the current fiscal year (FY 2010)¹ and estimates proposed for the fiscal year beginning July 1, 2010 (FY 2011).

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 2010. 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 2011 Operating Budget. The overall economic health of the Commonwealth, the level of state support, the impact of collectively bargained wage increases, the imposition of a significant fringe rate increase, 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 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; hiring new faculty and expanding student life programs; increasing student financial aid; investing in new technology; and implementing emergency preparedness measures.

¹ The final FY 2010 audited financial statements will be completed in the fall and presented to the Board at that time.

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. This is the fifth year that the Operating Budget is being 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 University’s campuses continue to make significant and critical investments in physical plant in FY10, but since these investments are capitalized the required expenditure of campus funds not immediately presented in this reporting format. While the capital expenditures are prominent in the current year, the reported impact is spread over multiple fiscal years.

It is important to note that the timing of the development of the Operating Budget has changed in recent years. In the past, the Operating Budget was presented during the fall meeting cycle of the Board, in which final prior fiscal year data was available, campus and central budget processes were completed and (in most cases) the final state appropriation numbers were known. More recently, the Budget was brought before the Board in the June Board cycle. For the FY 2011 Operating Budget, the year-to-year changes are based on projections for FY 2010 year-end (the current year). The FY 2011 budget estimates assume the average of the House Ways and Means and Senate recommended levels of state appropriation for the University, and the Governor’s proposed stimulus funding. It is assumed that support for the FY 2011 costs of collective bargaining agreements would be provided through supplemental appropriations funded by the Commonwealth.

FY 2011 OPERATING BUDGET SUMMARY

The total University budget projects an increase in both revenues and expenditures in fiscal year 2011 from the current fiscal year (FY 2010). The year-to-year increases are driven by enrollment increases and the continued growth in research. In addition, debt service spending and plant maintenance costs are rising. Excluding the Medical School, the University’s FY 2011 revenues and expenses are estimated to increase on a year-to-year basis of 4.6% and 9.4% respectively, with a projected operating surplus of \$14.9 million or 0.9% of all revenues. Including the Medical School, a (\$1.5) million operating deficit is estimated, with a -0.1% operating margin.

The University's revenues and expenditures are projected to equal \$2.83 billion and \$2.83 billion respectively in FY 2011.

FY 2011 University Operating Budget – T10-034

Total Budgeted University Revenues & Expenditures								
(\$ Shown in Millions)	Actual	Actual	Projected	Budgeted	FY 10 - 11		FY 09 - 11	
	FY 2008	FY 2009	FY 2010	FY 2011	1-yr. change		2-yr. change	
Revenues*	\$2,357.2	\$2,497.4	\$2,757.5	\$2,828.1	\$70.6	2.6%	\$330.7	13.2%
Expenditures**	\$2,284.3	\$2,460.8	\$2,677.3	\$2,830.4	\$153.2	5.7%	\$369.6	15.0%
Operating Surplus/(Deficit)	\$72.8	\$36.6	\$80.3	(\$2.3)				
Operating Margin	3.1%	1.5%	2.9%	-0.1%				
Not Including Medical School								
Revenues*	\$1,365.3	\$1,541.4	\$1,675.8	\$1,752.7	\$76.9	4.6%	\$211.3	13.7%
Expenditures**	\$1,340.6	\$1,520.4	\$1,588.5	\$1,738.6	\$150.1	9.4%	\$218.2	14.4%
Operating Surplus/(Deficit)	\$24.7	\$21.0	\$87.3	\$14.1				
Operating Margin	1.8%	1.4%	5.2%	0.8%				

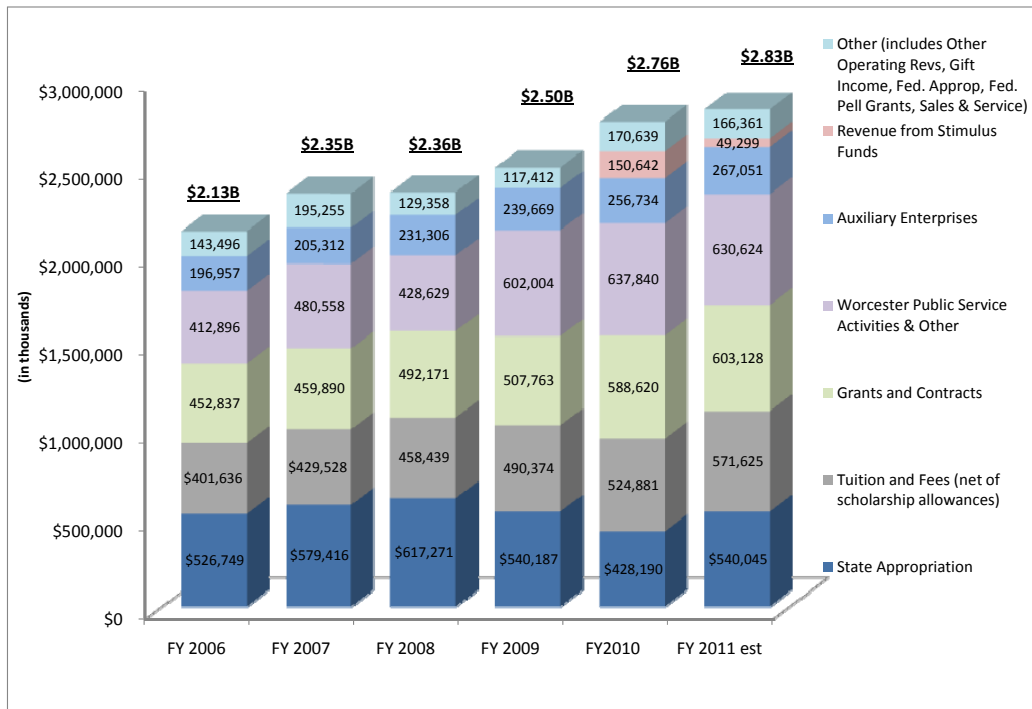
*Revenues include: Total Operating Revenues, State and Federal Appropriations and Gift and Investment Income.

**Expenditures include: Total Operating Expenditures, Interest on Indebtedness and Depreciation expense.

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 2011 revenues are budgeted at \$2.83 billion, a 2.6% increase from FY 2010 or \$2.76 billion. The following graph displays budgeted revenues as a percent of total revenues for FY 2011.



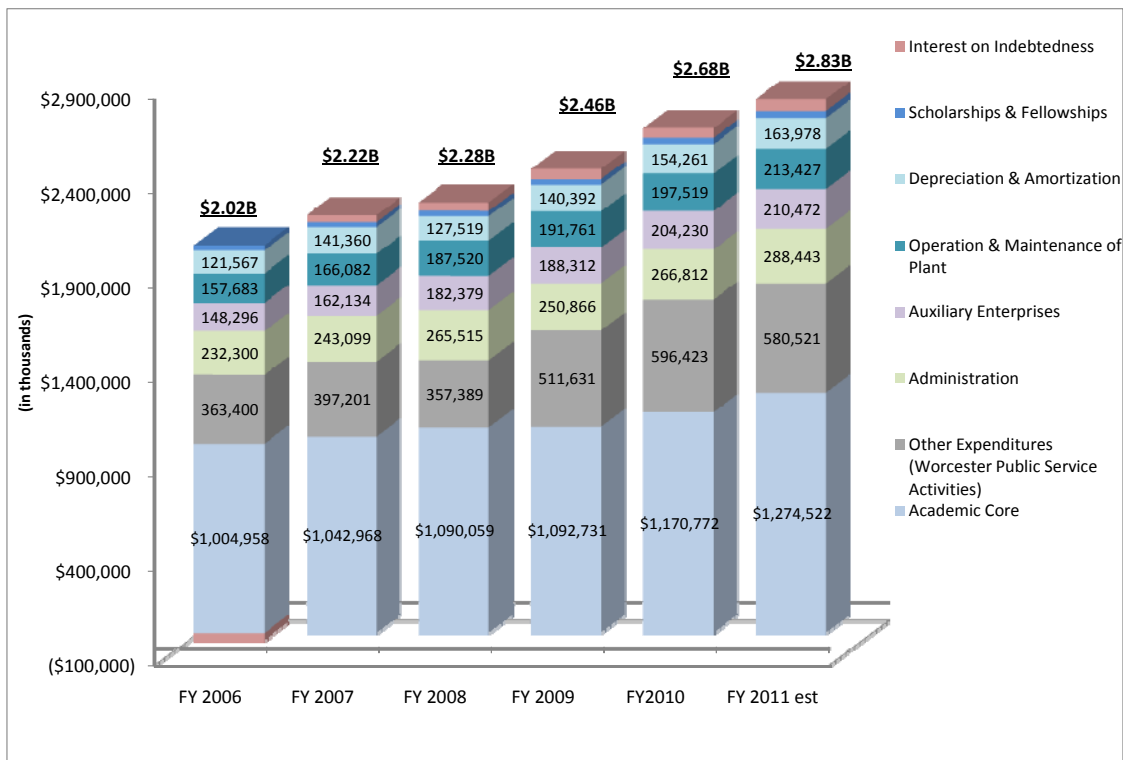
State appropriations are expected to increase by nearly \$112 million to \$540 million. This represents 18% of the University’s revenues. The increase includes an increase to the University’s base appropriation, as well as a significant increase in the value of the fringe benefit support provided by the state. The state pays for the fringe benefits for all employees paid with state funds. With the fringe rate increasing from 26.4% to an estimated 33.1%, the value of state support rises accordingly. The University’s collective bargaining agreements with its 34 bargaining units expired on June 30, 2008. Negotiations between management and union leadership progressed during FY 2009 and FY 2010. At this time, tentative agreements have been reached with nearly all bargaining units. The agreements must still be approved by Governor and funded by the legislature in order to be finalized, but the FY11 costs of the agreements were added to the state appropriation assumptions as well. ARRA funded stimulus support is expected to decline from \$150.3 million to \$49.3 million. The latter represents the Governor’s proposed allocation.

Grant and contract revenues represent 21% of all revenues and are projected to increase 2.5% or \$14.5 million over FY 2010 to \$588.6 million.

Tuition and fee revenues represent another 20% of University revenues and are projected to increase 8.9% over the current fiscal year. This is consistent with the student charge votes of the Board of Trustees for FY 2011, 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 2011 spending by these categories.



Total University expenditures for FY 2011 are an estimated \$2.83 billion or \$150 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 45% 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 2011 are projected for: Interest on Indebtedness (+18.6%), Operation & Maintenance of Plant (+8.1%), and Administration (+7.7%).

Auxiliary Enterprises are self-supporting operations critical to University operations, yet independent of the general education mission. This category accounts for 7% of total spending and includes: dining and residence halls, parking facilities, and student health services. Auxiliary expenditures are projected to increase by \$6.2 million or 3.1% over the current year.

Employee Trends

Due to the significant cuts in the University's FY 2010 budget, as well as projected cuts to the FY 2011 budget, the campuses have been very careful to manage staffing levels. The total projected increase in state-funded faculty for FY 2011 is approximately 220 individuals. The number of state-funded full-time equivalent (FTE) employees at the University is projected to increase by 123.8 between FY 2010 and FY 2011. However, this figure represents some employees whose salaries are to be switched from state to non-state funding sources. The total number of non-state-funded FTE employees is projected to decrease by 18.4.

Fringe benefits for state funded employees are covered by the Commonwealth, while every position funded by institutional funds requires that the University absorb these fringe costs. The preliminary FY 2011 non-state fringe rate for these employees has been set at 33.12% plus 1.91% for payroll taxes which is an increase from the FY 2010 rate of 26.4%. The large swings in fringe benefit rates over the past few years have been problematic from a planning perspective.

FY 2011 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 current economic environment indicates flat state appropriations for the ensuing years and 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 2** provide additional detail on the FY 2011 Operating Budget as well as information for FY 2008, FY 2009, and FY 2010. **Table 3** the University's FY 2009, FY 2010, and FY 2011 operating expenditures by type of expense (natural classification). **Table 4** summarizes the change in full-time equivalent (FTE) employees projected for FY 2011. **Table 5** summarizes total undergraduate and graduate enrollment for all of the campuses.

Following the Executive Summary are full FY 2011 Operating Budget Reports for each campus, the University System Office, the Donahue Institute, and University Information Technology Services. These reports include:

Table 1: FY 2009 – 2011 est. Statement of Revenues and Expenditures

Table 2: FY 2009 – 2011 est. Spending by Type of Expense (Natural Classification)

Table 3: FY 2009 – 2011 est. Summary of Full-Time Equivalent Employees

Table 4 (campuses only): FY 2009 – 2011 est. Headcount and FTE enrollment

Table 1
University of Massachusetts
Fiscal Year 2011 Operating Budget Statement
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Fiscal Years 2007 to 2011 (budgeted)
(in thousands of dollars)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2010 - FY 2011	
	Actuals	Actuals	Actuals	Projected	Budgeted		
	University	University	University	University	University		
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	1-year change	
REVENUES							
Operating Revenues							
Tuition and Fees (net of scholarship allowances)	\$ 429,528	\$ 458,439	\$ 490,374	\$ 524,881	\$ 571,625	\$ 46,744	9%
Federal Grants and Contracts	297,647	318,288	324,100	402,908	417,201	14,293	4%
State Grants and Contracts	66,775	72,034	77,115	82,443	77,756	(4,687)	-6%
Local Grants and Contracts	2,815	2,507	2,149	1,974	2,052	78	4%
Private Grants and Contracts	92,653	99,342	104,399	101,295	106,118	4,823	5%
Sales & Service, Educational	17,150	20,657	20,965	22,411	23,125	713	3%
Auxiliary Enterprises	205,312	231,306	239,669	256,734	267,051	10,317	4%
Other Operating Revenues:							
Sales & Service, Independent Operations	99,344	65,588	94,908	41,207	61,298	20,091	49%
Sales & Service, Public Service Activities	381,214	363,041	507,096	596,633	569,326	(27,307)	-5%
Other	59,570	57,618	66,920	79,248	83,218	3,970	5%
Total Operating Revenues	\$ 1,652,008	\$ 1,688,820	\$ 1,927,695	\$ 2,109,736	\$ 2,178,771	\$ 69,035	3%
EXPENSES							
Operating Expenses							
Educational and General							
Instruction	\$ 526,781	\$ 548,850	\$ 540,479	\$ 560,234	\$ 629,208	\$ 68,975	12%
Research	320,889	342,109	358,659	412,493	430,172	17,679	4%
Public Service	75,058	68,807	67,989	76,392	79,316	2,925	4%
Academic Support	120,240	130,293	125,604	121,653	135,825	14,172	12%
Student Services	87,085	91,157	87,207	89,060	95,068	6,008	7%
Institutional Support	156,014	174,358	163,659	177,752	193,375	15,623	9%
Operation and Maintenance of Plant	166,082	187,520	191,761	197,519	213,427	15,908	8%
Depreciation and Amortization	141,360	127,519	140,392	154,261	163,978	9,716	6%
Scholarships and Fellowships	25,714	28,111	29,845	35,019	37,123	2,103	6%
Auxiliary Enterprises	162,134	182,379	188,312	204,230	210,472	6,242	3%
Other Expenditures	-	-	-	-	-	-	-
Independent Operations	66,870	49,562	56,057	59,767	65,509	5,742	10%
Public Service Activities	330,331	307,827	455,574	536,656	515,012	(21,644)	-4%
Other	-	-	-	-	-	-	-
Total Operating Expenses	\$ 2,178,558	\$ 2,238,492	\$ 2,405,538	\$ 2,625,037	\$ 2,768,485	\$ 143,449	5%
Operating Income/(Loss)	\$ (526,550)	\$ (549,672)	\$ (477,843)	\$ (515,301)	\$ (589,714)	\$ (74,413)	14%
NONOPERATING REVENUES/(EXPENSES)							
Federal Appropriations	\$ 5,777	\$ 7,099	\$ 5,574	\$ 7,519	\$ 7,768	\$ 249	3%
State Appropriations	579,416	617,271	540,187	428,190	540,045	111,854	26%
Gifts	18,621	20,654	22,918	23,707	20,376	(3,331)	-14%
Investment Return	87,106	12,294	(9,284)	30,367	21,337	(9,029)	-30%
Endowment Return	7,031	11,036	10,319	7,387	10,537	3,150	43%
Interest on Indebtedness	(36,737)	(45,846)	(55,252)	(52,249)	(61,950)	(9,702)	19%
Interest Income	-	-	-	-	-	-	-
Other Nonoperating Income	9,639	11,484	8,167	6,213	6,416	204	3%
Revenue from Stimulus Funds	-	-	-	150,642	49,299	(101,343)	-67%
Net Nonoperating Revenues	\$ 670,853	\$ 633,992	\$ 522,629	\$ 601,776	\$ 593,828	\$ (7,949)	-1%
Income/(Loss) Before Other Revenues, Expenses, Gains, and Losses	\$ 144,303	\$ 84,320	\$ 44,786	\$ 86,475	\$ 4,114	\$ (82,362)	-95%
Capital Appropriations	\$ 73,590	\$ 21,170	\$ 27,483	\$ 38,175	\$ 70,150	\$ 31,975	84%
Capital Grants and Contracts	4,000	1,500	5,182	14,800	2,600	(12,200)	-82%
Capital - Stimulus Funds	-	-	-	-	-	\$ -	-
Additions to Permanent Endowments	-	-	-	-	-	-	-
University Related Organization Transactions	-	-	-	-	(5,689)	(5,689)	-
Disposal of Plant Facilities	(6,964)	-	(8,553)	(8,566)	(4,834)	3,732	-44%
Expended for Plant	-	(10,462)	-	-	-	-	-
Other Additions/Deductions	(390)	(10,458)	1,361	(788)	(3,381)	(2,593)	329%
Transfers	-	-	-	29	-	(29)	-100%
Total Other Revenues, Expenses, Gains, and Losses	\$ 70,236	\$ 1,750	\$ 25,473	\$ 43,650	\$ 58,847	\$ 15,196	35%
Total Increase/(Decrease) in Net Assets	\$ 214,539	\$ 86,070	\$ 70,259	\$ 130,126	\$ 62,960	\$ (67,166)	-52%
NET ASSETS							
Net Assets at Beginning of Year	\$ 1,370,437	\$ 1,584,976	\$ 1,671,046	\$ 1,741,305	\$ 1,871,431	\$ 130,126	7%
Net Assets at End of Year	\$ 1,584,976	\$ 1,671,046	\$ 1,741,305	\$ 1,871,431	\$ 1,934,391	\$ 62,960	3%

FY 2011 University Operating Budget – T10-034

Table 2
University of Massachusetts
Fiscal Year 2011 Operating Budget Statement
FY 2011 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Campus Summary
(in thousands of dollars)

							University	
	Amherst Campus	Boston Campus	Dartmouth Campus	Lowell Campus	Worcester Campus	Central Admin.*	Total Not Incl. Related Orgs.*	NOT INCL. Worcester
REVENUES								
Operating Revenues								
Tuition and Fees (net of scholarship allowances)	249,114	\$126,766	\$ 71,598	\$ 107,182	\$ 11,054	\$ 5,912	\$ 571,625	\$ 560,571
Federal Grants and Contracts	138,939	\$45,270	23,249	31,618	174,577	3,548	417,201	242,624
State Grants and Contracts	15,832	\$7,886	7,843	5,672	38,921	1,602	77,756	38,835
Local Grants and Contracts	598	\$692	289	334	-	139	2,052	2,052
Private Grants and Contracts	25,704	\$11,582	4,399	11,693	48,330	4,410	106,118	57,788
Sales & Service, Educational	6,505	\$2,950	55	1,166	10,680	1,769	23,125	12,445
Auxiliary Enterprises	155,724	\$10,014	40,742	26,430	34,141	-	267,051	232,910
Recovery of Indirect Costs	-	-	-	-	-	-	-	-
Allocation from Campuses	-	-	-	-	-	52,408	-	-
Other Operating Revenues:	-	-	-	-	-	-	-	-
Sales & Service, Independent Operations	-	-	-	-	61,298	-	61,298	-
Sales & Service, Public Service Activities	-	-	-	-	569,326	-	569,326	-
Other	11,559	\$197	3,810	4,755	57,921	4,976	83,218	25,297
Total Operating Revenues	\$ 603,975	\$ 205,357	\$ 151,985	\$ 188,850	\$ 1,006,248	\$ 74,764	\$ 2,178,771	\$ 1,172,523
EXPENSES								
Operating Expenses								
<i>Educational and General</i>								
Instruction	\$ 290,576	\$117,264	\$ 66,835	\$ 89,825	\$ 51,636	\$ 13,072	\$ 629,208	\$ 577,572
Research	123,417	\$31,575	19,307	40,242	212,636	2,995	430,172	217,536
Public Service	25,657	\$7,479	3,032	3,513	38,036	1,599	79,316	41,280
Academic Support	47,919	\$29,923	24,766	21,533	11,685	-	135,825	124,140
Student Services	46,230	\$20,296	7,815	16,807	3,921	-	95,068	91,147
Institutional Support	58,448	\$33,945	19,030	32,669	50,383	51,308	193,375	142,992
Operation and Maintenance of Plant	86,872	\$21,956	21,059	23,131	54,738	5,671	213,427	158,689
Depreciation and Amortization	63,000	\$15,578	12,852	18,153	47,786	6,608	163,978	116,192
Scholarships and Fellowships	11,722	\$13,672	5,790	5,740	199	-	37,123	36,924
<i>Auxiliary Enterprises</i>	136,326	\$9,257	23,008	15,980	25,901	-	210,472	184,571
<i>Other Expenditures</i>	-	-	-	-	-	-	-	-
Independent Operations	-	-	-	-	65,509	-	65,509	-
Public Service Activities	-	-	-	-	515,012	-	515,012	-
Other	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 890,167	\$ 300,945	\$ 203,494	\$ 267,593	\$ 1,077,442	\$ 81,252	\$ 2,768,485	\$ 1,691,043
Operating Income/(Loss)	\$ (286,192)	\$ (95,588)	\$ (51,509)	\$ (78,743)	\$ (71,194)	\$ (6,488)	\$ (589,714)	\$ (518,520)
NONOPERATING REVENUES/(EXPENSES)								
Federal Appropriations	\$ 7,768	\$0	\$ -	\$ -	\$ -	\$ -	\$ 7,768	\$ 7,768
State Appropriations	276,065	\$89,745	55,805	75,599	37,111	5,720	540,045	502,934
Gifts	8,144	\$2,250	-	1,982	8,000	-	20,376	12,376
Investment Return	5,464	\$2,745	945	860	9,996	1,327	21,337	11,341
Endowment Return	5,089	\$990	450	636	3,079	293	10,537	7,458
Interest on Indebtedness	(23,601)	(\$8,379)	(8,200)	(6,702)	(14,442)	(626)	(61,950)	(47,508)
Interest Income	-	-	-	-	-	-	-	-
Other Nonoperating Income	1,636	\$0	387	410	105	3,878	6,416	6,311
Revenue from Stimulus Funds	24,303	\$8,529	5,243	\$7,447	3,577	200	49,299	45,722
Net Nonoperating Revenues	\$ 304,868	\$ 95,880	\$ 54,630	\$ 80,232	\$ 47,426	\$ 10,792	\$ 593,828	\$ 500,680
Income/(Loss) Before Other Revenues, Expenses, Gains, and Losses	\$ 18,676	\$ 292	\$ 3,120	\$ 1,489	\$ (23,768)	\$ 4,304	\$ 4,114	\$ (17,840)
Capital Appropriations	\$ 1,200	\$8,250	\$ 14,200	\$ 20,000	\$ 26,500	\$ -	\$ 70,150	\$ 43,650
Capital Grants and Contracts	1,750	\$0	-	850	-	-	2,600	2,600
Capital - Stimulus Funds	-	-	-	\$0	-	-	-	-
Additions to Permanent Endowments	-	\$0	-	-	-	-	-	-
University Related Organization Transactions	(4,609)	(\$1,080)	-	-	-	-	(5,689)	(5,689)
Disposal of Plant Facilities	(2,000)	\$0	(1,448)	(1,386)	-	-	(4,834)	(4,834)
Expended for Plant	-	-	-	-	-	-	-	-
Other Additions/Deductions	-	-	(2,524)	(50)	-	(807)	(3,381)	(3,381)
Transfers	-	-	-	-	-	-	-	-
Total Other Revenues, Expenses, Gains, and Losses	\$ (3,659)	\$ 7,170	\$ 10,229	\$ 19,414	\$ 26,500	\$ (807)	\$ 58,847	\$ 32,347
Total Increase/(Decrease) in Net Assets	\$ 15,017	\$ 7,462	\$ 13,349	\$ 20,903	\$ 2,732	\$ 3,497	\$ 62,960	\$ 14,506
NET ASSETS								
Net Assets at Beginning of Year	\$ 795,765	\$195,803	\$ 57,706	\$ 157,108	\$ 592,153	\$ 72,896	\$ 1,871,431	\$ 1,279,278
Net Assets at End of Year	\$ 810,782	\$ 203,265	\$ 71,055	\$ 178,011	\$ 594,885	\$ 76,393	\$ 1,934,391	\$ 1,293,784

*To properly account for the central service assessment and other intra-unit transfers, the University Total figures are adjusted to reflect these amounts. Due to these eliminations, the sum of the campus figures and the Central Administration figures do not appear to equal the University Total figures. In FY10, the amount eliminated from the University Total is \$63,843,000.

Operating Margin

Total Operating Revenues	\$ 603,975	\$ 205,357	\$ 151,985	\$ 188,850	\$ 1,006,248	\$ 74,764	\$ 2,178,771	\$ 1,172,523
Federal Approp.	7,768	-	-	-	-	-	7,768	7,768
State Approp.	276,065	89,745	55,805	75,599	37,111	5,720	540,045	502,934
Gifts	8,144	2,250	-	1,982	8,000	-	20,376	12,376
Investment Income	5,464	2,745	945	860	9,996	1,327	21,337	11,341
Endowment Return	5,089	990	450	636	3,079	293	10,537	7,458
Revenue from Stimulus Funds	24,303	8,529	5,243	\$7,447	3,577	200	49,299	45,722
Total	\$ 930,808	\$ 309,616	\$ 214,428	\$ 275,374	\$ 1,068,011	\$ 82,304	\$ 2,828,133	\$ 1,760,122
Total Operating Expenses	\$ 890,167	\$ 300,945	\$ 203,494	\$ 267,593	\$ 1,077,442	\$ 81,252	\$ 2,768,485	\$ 1,691,043
Interest on Indebtedness	23,601	8,379	8,200	6,702	14,442	626	61,950	47,508
Total	\$ 913,768	\$ 309,324	\$ 211,694	\$ 274,295	\$ 1,091,884	\$ 81,878	\$ 2,830,436	\$ 1,738,552
Operating Surplus/Deficit	\$ 17,040	\$ 292	\$ 2,733	\$ 1,079	\$ (23,873)	\$ 425	\$ (2,303)	\$ 21,570
Operating Margin (surplus as pct. of revenues)	1.8%	0.1%	1.3%	0.4%	-2.2%	0.5%	-0.1%	1.2%

Table 3
University of Massachusetts
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10 - 11
Salaries and Wages	\$1,077,677	\$1,127,682	\$1,162,049	\$1,210,064	\$48,015	4.1%
Employee Fringe Benefits	\$321,703	\$257,559	\$295,760	\$358,159	\$62,399	21.1%
Student Aid	\$63,240	\$63,780	\$66,542	\$70,236	\$3,694	5.6%
Utilities	\$74,232	\$84,443	\$81,498	\$85,011	\$3,513	4.3%
Supplies and Other Services	\$628,778	\$785,518	\$918,060	\$932,822	\$14,762	1.6%
Depreciation	\$127,519	\$140,392	\$154,262	\$164,601	\$10,339	6.7%
TOTAL	\$2,293,149	\$2,459,374	\$2,678,171	\$2,820,893	\$142,722	5.3%

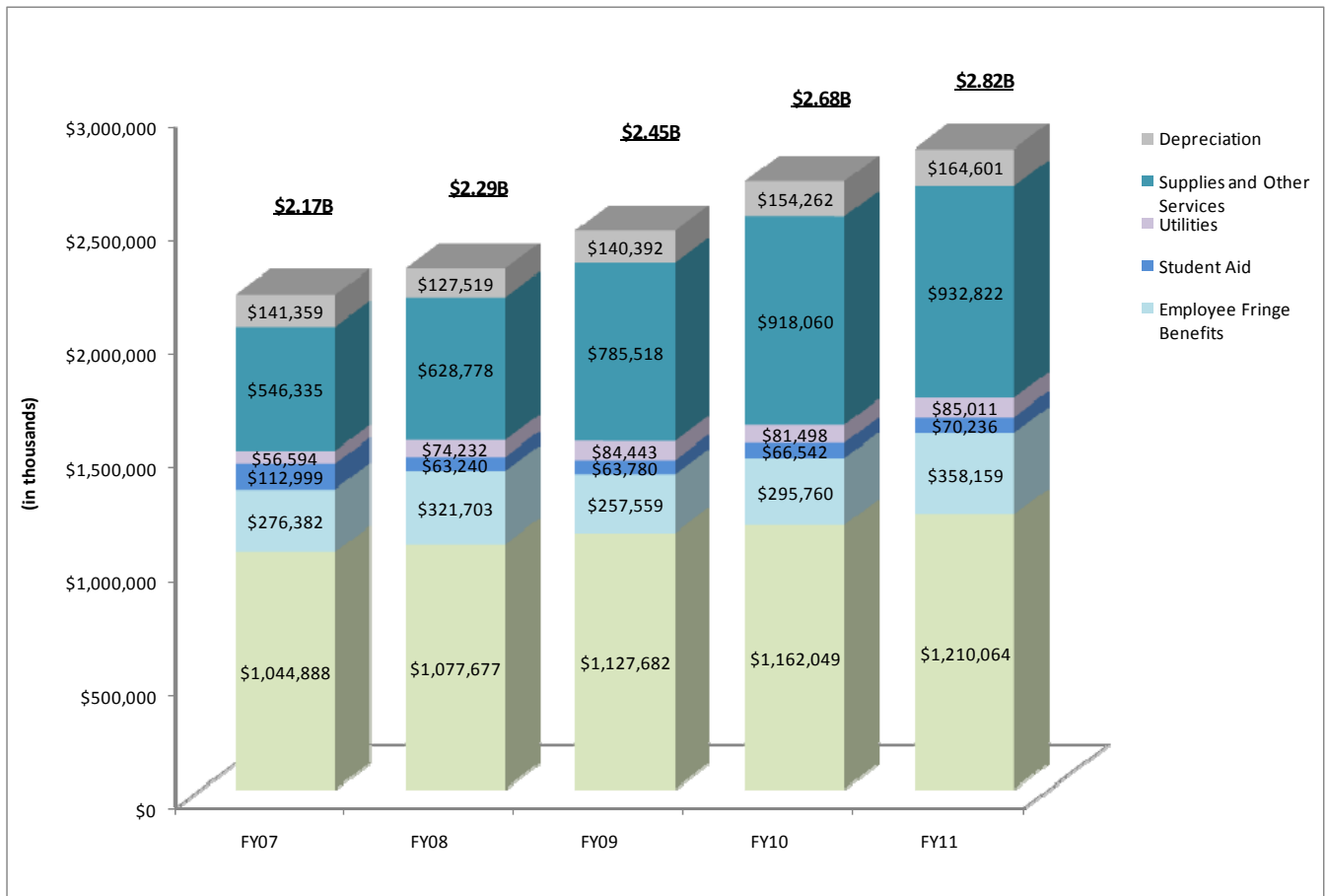


Table 4
University of Massachusetts
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2010 - 11	% Change Fall 2010 - 11
UNRESTRICTED/DESIGNATED FUNDS					
STATE FUNDED POSITIONS					
Faculty	2,507.7	2,228.4	2,538.2	309.8	13.9%
Professional Staff	2,453.4	2,404.6	2,289.9	(114.7)	-4.8%
Classified Staff	2,101.2	2,097.7	2,026.4	(71.3)	-3.4%
Subtotal, State Funded	7,062.3	6,730.7	6,854.5	123.8	1.8%
NON-STATE FUNDED POSITIONS					
Faculty	641.1	1,002.7	822.9	(179.8)	-17.9%
Professional Staff	2,163.3	2,221.5	2,311.0	89.5	4.0%
Classified Staff	2,066.5	2,021.7	2,093.6	71.9	3.6%
Subtotal, Non-State Funded	4,870.9	5,245.9	5,227.5	(18.4)	-0.4%
Total Unrestricted/Designated	11,933.2	11,976.6	12,082.0	105.4	0.9%
RESTRICTED FUNDS					
GRANT FUNDED POSITIONS					
Faculty	308.2	316.8	316.8	0.0	0.0%
Professional Staff	1,360.4	1,438.3	1,445.3	7.1	0.5%
Classified Staff	274.9	283.0	282.5	(0.4)	-0.1%
Subtotal, Grant Funded	1,943.5	2,038.0	2,044.6	6.6	0.3%
OTHER RESTRICTED POSITIONS					
Faculty	27.7	7.3	21.0	13.7	0.0%
Professional Staff	39.5	28.9	29.3	0.4	0.0%
Classified Staff	12.8	5.0	5.5	0.5	0.0%
Subtotal, Other Restricted Funds	80.0	41.2	55.8	14.7	0.0%
Total Restricted	2,023.5	2,079.2	2,100.4	21.3	1.0%
TOTAL UNRESTRICTED AND RESTRICTED	13,956.7	14,055.8	14,182.4	126.7	0.9%

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

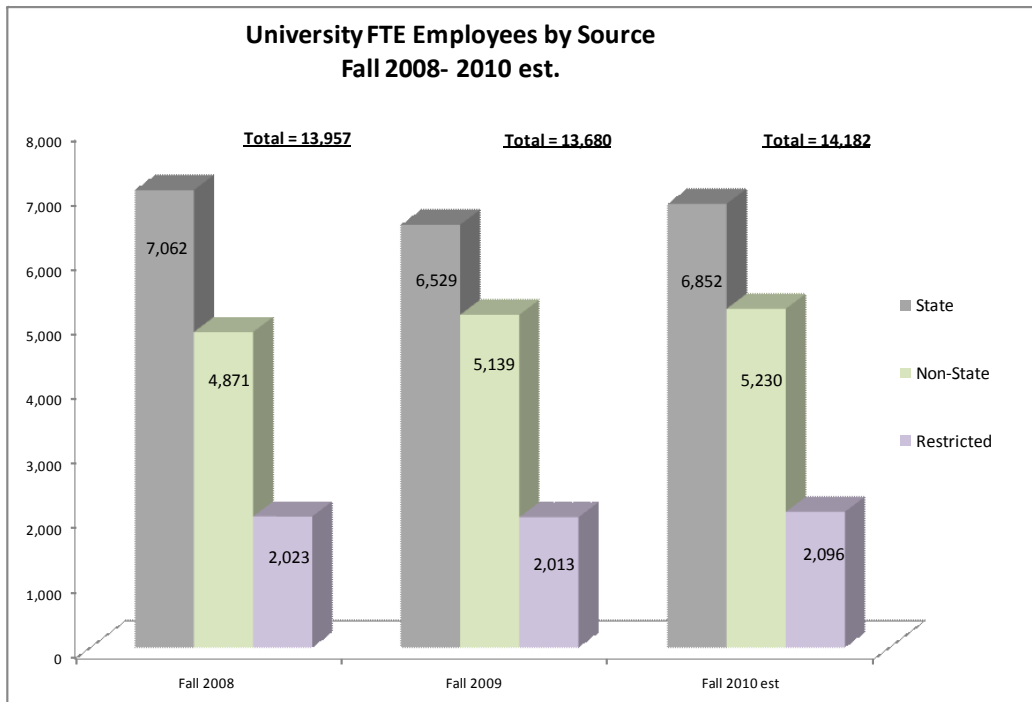
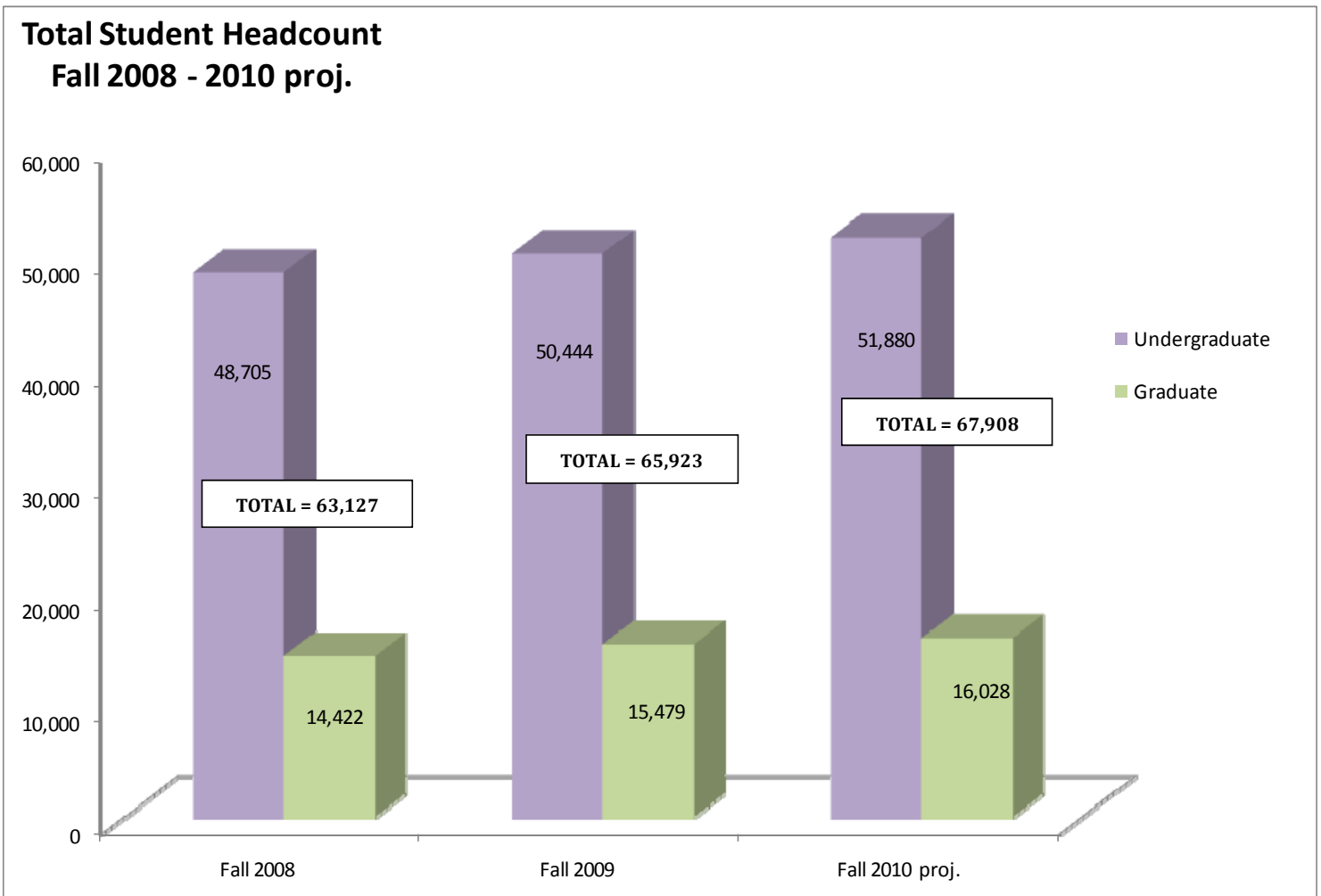
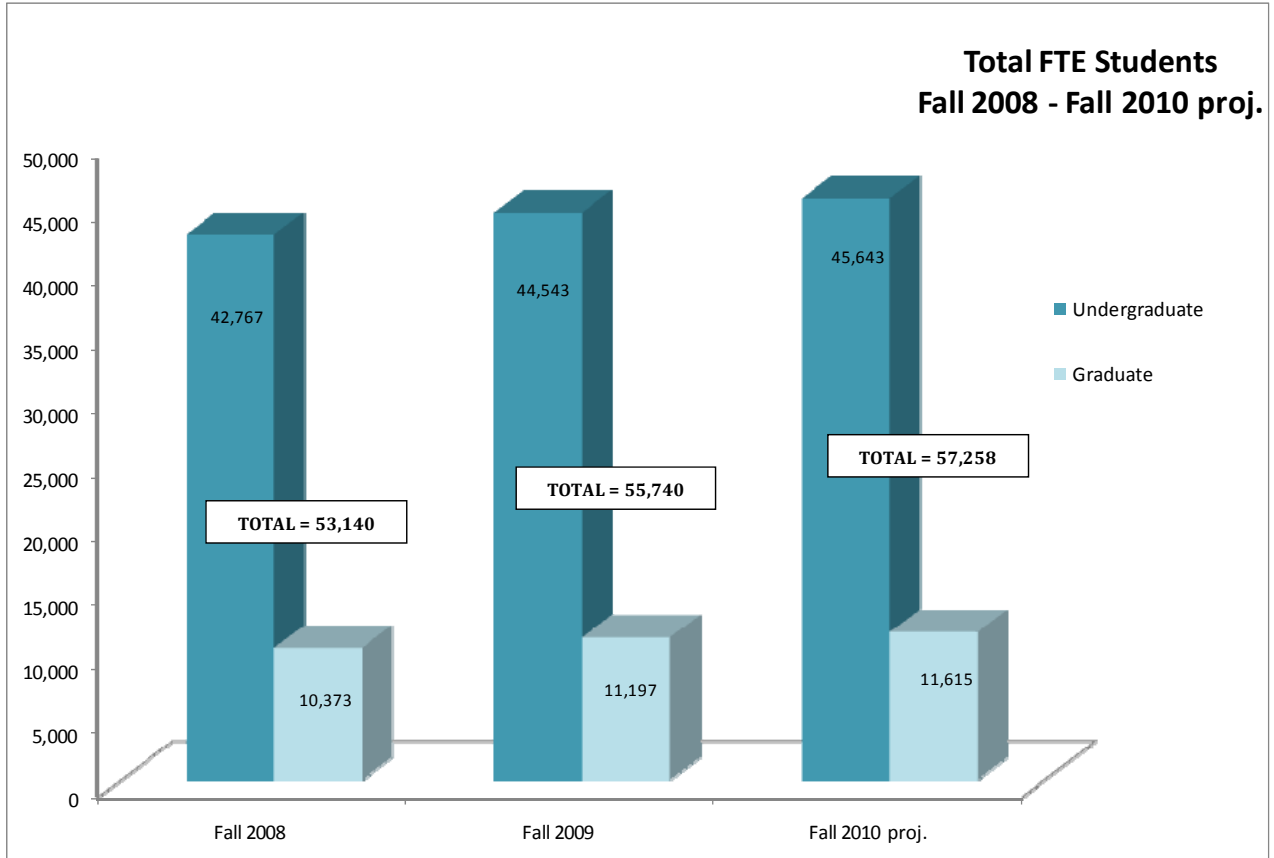


Table 5
University of Massachusetts
Fiscal Year 2011 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

FISCAL YEAR	UNDERGRADUATE		GRADUATE		TOTAL	
	HC	FTE	HC	FTE	HC	FTE
Fall 2010 proj.	52,508	46,302	15,400	10,956	67,908	57,258
Fall 2009	51,066	45,194	14,857	10,546	65,923	55,740
Fall 2008	49,285	43,340	13,842	9,800	63,127	53,140





DRAFT

OPERATING BUDGET

for Fiscal Year 2011

AMHERST CAMPUS



UNIVERSITY OF MASSACHUSETTS AMHERST
FY 2011 Operating Budget Narrative

The University of Massachusetts Amherst submits for approval an FY11 operating budget totaling **\$890 million**. The campus has used its fund balances and relied on federal stimulus funding the last two years to avoid large budget cuts and preserve its primary teaching and research functions. The campus will again avoid layoffs and major disruptions to its core functions in FY11 due to the following factors:

- State appropriation increase of \$27 million.
- Additional distribution of \$24 million of federal stimulus funds.
- The State covers FY11 collective bargaining costs.
- Carryforward a portion of the FY10 general funds surplus into FY11.
- Implementation of the full tuition and fee increase approved for FY10.
- Growing the number of out-of-state students.
- Short term interest income up slightly.
- Increased central tax revenue expected from Continuing and Professional Education

Increasing out-of-state enrollment is the first of many campus initiatives to develop more stable income sources and to be less reliant on state funding. Other steps include increasing summer and CPE revenue, attracting more donor support, and growing the research base.

Undergraduate enrollment on the Amherst campus is at its highest level ever. To meet this increased demand, spending on instruction is projected to increase by 18% in FY11 as compared to FY10. Additional resources will also be committed toward daily maintenance of the physical plant and leveraging additional debt to invest in capital improvements.

Since the new central heating plant opened, UMASS Amherst has become a large natural gas consumer and the campus is leveraging its size in the market place to take advantage of favorable rates in the future market. Most utility prices are locked in for FY11 and the campus anticipates spending \$2 million less next year on utilities.

FY12-FY15 Budget Projections

Revenue projections from FY12 through FY15 assume steady annual increases in state support, growing out-of-state enrollment, and solid gains in attracting federal research support. The unrestricted revenue will be primarily devoted to capital improvements as the campus must take aggressive steps to reduce its \$1.4 billion deferred maintenance backlog. Funds will also be allocated for instructional purposes to replenish faculty strength on the Amherst campus. Included in the budget projection are \$175 million in state capital appropriations to fund a new science facility and a new classroom building.

Statement of Revenue and Change in Net Assets – FY10-FY15

The fiscal year operating budget is presented in the financial statement format and it shows that **net assets** are anticipated to rise by \$66 million in FY10. This is primarily attributable to the \$73 million in stimulus funds the campus received this year which has relieved spending in other fund sources. The outer years of the projection also show large gains in net assets. This is wholly due to capital appropriations from the state.

Financial Indicators

The Financial Indicators demonstrate that the campus commitment to addressing its deferred maintenance backlog by increasing the debt service to operations ratio to 8%.

Return on Net Assets

Due to the infusion of \$175 million of state funding for capital projects over the next five years, this ratio is solid through FY13. It begins to decline in FY14 and FY15 as interest income and depreciation expenses grow and more is spent on operations and maintenance of new facilities.

Financial Cushion

The Financial Cushion will decline over the next five years as accumulated unrestricted funds which have been designated for capital improvements are spent.

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 this ratio to the 8% level. Much of the work will be devoted to renovating science classrooms and laboratories.

Endowment Per Student

The endowment per student ratio continues to lag significantly behind peer institutions. The campus is ramping up its fundraising staff and steady growth is projected in endowment earnings. The ratio will not change dramatically because the student body is also expected to grow.

Private Funds Raised

The campus is anticipating 10% annual growth in this indicator 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 its deferred maintenance backlog over the next few years. The ratio is based on currently identified projects in the capital plan and \$200 million of spending included in the five year projection for infrastructure improvements.

Equivalent Debt Burden

This ratio shows that the campus debt burden would need to rise to nearly 20% to eradicate its current deferred maintenance backlog.

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. By taking steps to become more fiscally independent and to renew its physical plant, the campus is ensuring that it will remain a vital player in the Massachusetts economy.

FY 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
Amherst Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2011 Operating Budget Statement
(in thousands of dollars)

			FY2011 BUDGETED		
	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual/ Adjusted Basis	FY11 Budget- Accrual Basis	FY10 to FY11 Change
REVENUES					
Operating Revenues					
Tuition and Fees	\$283,777	\$300,530	\$339,237	\$349,487	\$10,250 3%
Scholarship allowance	-\$67,115	-\$75,082	-\$105,903	-\$100,373	\$5,530 -5%
Tuition and Fees (net of scholarship allowances)	\$216,662	\$225,448	\$233,334	\$249,114	\$15,780 7%
Federal Grants and Contracts	\$102,354	\$104,973	\$130,348	\$138,939	\$8,591 7%
State Grants and Contracts	\$19,396	\$16,378	\$15,256	\$15,832	\$576 4%
Local Grants and Contracts	\$828	\$402	\$599	\$598	-\$1 0%
Private Grants and Contracts	\$27,388	\$26,024	\$24,494	\$25,704	\$1,210 5%
Sales & Service, Educational	\$7,395	\$7,361	\$6,608	\$6,505	-\$103 -2%
Auxiliary Enterprises	\$141,604	\$144,556	\$148,953	\$155,724	\$6,771 5%
Other Operating Revenues:					
Sales & Service, Independent Operations					
Sales & Service, Public Service Activities					
Other	\$11,675	\$11,435	\$14,265	\$11,559	-\$2,706 -19%
Total Operating Revenues	\$527,302	\$536,577	\$573,857	\$603,975	\$30,118 5%
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	\$247,160	\$248,184	\$246,418	\$290,576	\$44,158 18%
Research	\$99,977	\$99,859	\$113,489	\$123,417	\$9,928 9%
Public Service	\$24,875	\$22,098	\$23,831	\$25,657	\$1,826 8%
Academic Support	\$49,751	\$48,779	\$41,034	\$47,919	\$6,885 17%
Student Services	\$44,508	\$41,223	\$41,643	\$46,230	\$4,587 11%
Institutional Support	\$48,991	\$43,111	\$49,265	\$58,448	\$9,183 19%
Operation and Maintenance of Plant	\$78,512	\$87,766	\$76,277	\$86,872	\$10,595 14%
Depreciation and Amortization	\$45,562	\$54,518	\$61,000	\$63,000	\$2,000 3%
Scholarships and Fellowships	\$13,319	\$12,371	\$12,876	\$11,722	-\$1,154 -9%
Auxiliary Enterprises	\$125,364	\$123,738	\$130,547	\$136,326	\$5,779 4%
Other Expenditures					
Independent Operations					
Public Service Activities					
Total Operating Expenses	\$778,019	\$781,647	\$796,380	\$890,167	\$93,787 12%
Operating Income/(Loss)	-\$250,717	-\$245,070	-\$222,523	-\$286,192	-\$63,669 29%
NONOPERATING REVENUES/(EXPENSES)					
Federal Appropriations	\$7,099	\$5,574	\$7,519	\$7,768	\$249 3%
State Appropriations	\$286,298	\$258,409	\$207,917	\$276,065	\$68,148 33%
Gifts	\$11,021	\$11,592	\$7,639	\$8,144	\$505 7%
Investment Return	\$7,008	-\$1,773	\$13,062	\$5,464	-\$7,598 -58%
Endowment Return	\$5,994	\$4,709	\$2,679	\$5,089	\$2,410 90%
Interest on Indebtedness	-\$15,562	-\$21,058	-\$21,334	-\$23,601	-\$2,267 11%
Other Nonoperating Income	\$2,322	\$1,636	\$1,636	\$1,636	\$0 0%
Revenue from Stimulus Funds			\$72,968	\$24,303	-\$48,665 -67%
Net Nonoperating Revenues	\$304,180	\$259,089	\$292,086	\$304,868	\$12,782 4%
Income Before Other Revenues, Expenses, Gains, and Losses	\$53,463	\$14,019	\$69,563	\$18,676	-\$50,887 -73%
Capital Appropriations	\$4,948	\$6,007	\$4,650	\$1,200	-\$3,450 -74%
Capital Grants and Contracts		\$4,804	\$0	\$1,750	\$1,750
University Related Transactions	\$0	\$0	\$0	\$0	\$0
Disposal of Plant Facilities	-\$4,299	-\$4,609	-\$4,609	-\$4,609	\$0 0%
Other Additions/Deductions	-\$2,046	\$5,510	-\$3,765	-\$2,000	\$1,765 -47%
Total Other Revenues, Expenses, Gains & Losses	-\$1,397	\$11,712	-\$3,724	-\$3,659	\$65 -2%
Total Increase in Net Assets	\$52,066	\$25,731	\$65,839	\$15,017	-\$50,822 -77%
NET ASSETS					
Net Assets at Beginning of Year	\$652,129	\$704,195	\$729,926	\$795,765	\$65,839 9%
Net Assets at End of Year	\$704,195	\$729,926	\$795,765	\$810,782	\$15,017 2%

FY 2011 University Operating Budget – T10-034

Table 2
University of Massachusetts
Amherst Campus
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$395,180	\$401,369	\$399,768	\$432,105	\$32,337	8.1%
Employee Fringe Benefits	\$121,969	\$90,967	\$95,761	\$130,684	\$34,923	36.5%
Student Aid	\$40,996	\$39,501	\$41,863	\$42,274	\$411	1.0%
Utilities	\$29,918	\$39,987	\$34,971	\$32,585	(\$2,386)	-6.8%
Supplies and Other Services	\$144,394	\$155,305	\$163,017	\$189,519	\$26,502	16.3%
Depreciation	\$45,562	\$54,518	\$61,000	\$63,000	\$2,000	3.3%
TOTAL	\$778,019	\$781,647	\$796,380	\$890,167	\$93,787	11.8%

Table 3
University of Massachusetts
Amherst Campus
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty	1,194.0	1,179.0	886.7	1,162.6	275.9	31.1%
Professional Staff	915.0	964.0	948.2	965.5	17.3	1.8%
Classified Staff	1,162.0	1,249.0	1,238.5	1,246.5	8.0	0.6%
Subtotal, State Funded	3,271.0	3,392.0	3,073.5	3,374.6	301.1	9.8%
NON-STATE FUNDED POSITIONS						
Faculty	70.0	92.0	400.5	197.5	(203.0)	-50.7%
Professional Staff	431.0	434.0	455.8	442.5	(13.3)	-2.9%
Classified Staff	841.0	759.0	777.9	801.9	24.0	3.1%
Subtotal, Non-State Funded	1,342.0	1,285.0	1,634.2	1,441.9	(192.3)	-11.8%
Total Unrestricted/Designated	4,613.0	4,677.0	4,707.6	4,816.5	108.9	2.3%
RESTRICTED FUNDS						
GRANT FUNDED POSITIONS						
Faculty	36.0	28.0	31.1	31.1	0.0	0.0%
Professional Staff	301.0	287.0	295.7	319.7	24.0	8.1%
Classified Staff	79.0	73.0	70.2	70.2	0.0	0.1%
Subtotal, Grant Funded	416.0	388.0	397.0	421.0	24.0	6.1%
OTHER RESTRICTED POSITIONS						
Faculty	20.0	24.0	1.9	15.0	13.1	689.5%
Professional Staff	18.0	13.0	1.3	1.3	0.1	4.0%
Classified Staff	7.0	8.0	1.5	1.5	0.0	0.0%
Subtotal, Other Restricted Funds	45.0	45.0	4.7	17.8	13.2	282.8%
Total Restricted	461.0	433.0	401.6	438.8	37.2	9.3%
TOTAL UNRESTRICTED AND RESTRICTED	5,074.0	5,110.0	5,109.3	5,255.3	146.1	2.9%

* 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 2011 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

	UNDERGRADUATE		GRADUATE		TOTAL	
	HC	FTE	HC	FTE	HC	FTE
Fall 2010 projected	21,261	20,462	6,143	4,609	27,404	25,071
Fall 2009	20,873	20,323	6,143	4,609	27,016	24,932
Fall 2008	20,539	19,929	5,820	4,347	26,359	24,276
Fall 2007	20,114	19,427	5,759	4,332	25,873	23,759

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

BOSTON CAMPUS



**UNIVERSITY OF MASSACHUSETTS BOSTON
FY 2011 OPERATING BUDGET NARRATIVE**

The most severe economic downturn since the Great Depression has tested the University of Massachusetts Boston, our sister UMass campuses and educational institutions across the country. Confronted by unprecedented fiscal challenges, the Boston campus has faced difficult decisions. However, working collaboratively and with transparency, we have carved out a course that, while painful at times, is taking us where we want, and need, to be. Consequently, despite the difficulties created by the recession, FY10 has been a year of marked movement forward for UMass Boston, materially, academically and in our profile in the city, state, nation, and world.

This narrative provides a brief review of the current fiscal year, FY10, as well as an overview of the proposed FY11 UMass Boston budget. It also describes the Boston campus's recent accomplishments in advancing the goals of our campus strategic plan and the Board of Trustees' priorities.

Update on FY10

UMass Boston prepared its FY10 budget in spring 2009 for Board approval in June, before the state budget was finalized. When all of the details of the state budget finally became clear in September 2009, UMass Boston found itself with less state support and more federal stimulus than we had assumed in the spring, as we developed the FY10 budget. As explained below, these differences account for much of the variation between the budget and our current FY10 forecast.

Summary of Current FY10 Projection

In the FY10 budget, we projected that Income before Other Revenues, Expenses, Gains and Losses would total \$4.7M. As a result of anticipated state funding of \$16.5M for a capital project to stabilize the campus' infrastructure, we estimated that Net Assets would grow by \$20.8M. The budgeted Operating Surplus was \$3.6M and the operating margin 1.2%.

Our current forecast continues to projects favorable results for FY10:

- Income before Other Revenues, Expenses, Gains and Losses of \$3.8M
- Operating Surplus of \$2.9M
- Operating margin of 1.0%, and
- Increase in Net Assets of \$19.9M.

The four biggest differences in the assumptions underlying the original FY10 budget and the current projection are:

- Larger-than-expected growth in enrollment and associated financial aid, including federal financial aid
- Size of the student fee rebate (\$1,100 instead of the originally expected \$392)
- Amount of federal stimulus (Education Stabilization) funds that UMass Boston is receiving, and
- Issuance of \$62.2M Series 2009 bonds in October 2009.

Revenue

When we prepared the campus's FY10 budget in spring 2009, the major working assumptions for revenue included a \$1,500 student-fee increase with a rebate of \$392, a state appropriation allocation of \$86.9M, and federal stimulus money of \$13.8M. As already noted, when the state completed its FY10 budget and the associated allocations of Education Stabilization funds in September 2009, UMass Boston received a lower state appropriation but much more federal stimulus money than we had anticipated in the FY10 budget. Because of the receipt of greater-than-expected Education Stabilization funding, UMass Boston, like the other UMass campuses, was able to give students a much larger rebate of \$1,100.

In October, when a continued drop in state revenues forced the Governor to implement 9C cuts, the Boston campus experienced a \$7.1M decrease in state support, including the value of fringe benefits. Partially offsetting this reduction, UMass Boston received an additional allocation of \$5.5M of Education Stabilization funding, bringing the grand total of federal stimulus money to \$25.6M for FY10. The campus used a \$6M reserve that it had created in the FY10 budget for this purpose to cover the remaining \$1.6M loss of state support.

In the FY10 budget, we projected that the state appropriation would continue to be the second largest source of revenue for UMass Boston, after tuition and fees. Historically, the state appropriation was the larger of the two funding sources. However, because of state budget cuts in FY09, the state appropriation dropped to second place for the first time in UMass Boston history. In FY08, the state appropriation represented 39.8% of UMass Boston's total revenue, while tuition and fees accounted for 35.1%. For FY09, the state appropriation decreased to 34.5%, and tuition and fees rose to 39.4%. For FY10, we project that the state appropriation will drop to 25.3%, and student revenue will account for 38.8% of total revenue. If we add federal stimulus money, which is approximately 8.7% of total UMass Boston revenue, to the state appropriation, the two sources together are 34.0%, still less than tuition and fees.

Expenses

The FY10 forecast projects that total operating expenses will be \$283.2M, \$5.1M less than the FY10 budget. Almost all expenditure categories are under budget, except for two: Operation and Maintenance of Plant, and Scholarships and Fellowships. The growth in Operation and Maintenance of Plant expenses is a result in the change in the mix of projects that are operating versus capital. The increase in spending on Scholarships and Fellowships reflects the campus's commitment to provide financial aid to meet at least 90% of need.

In addition, the \$62.2M of Series 2009 bonds issued in October 2009, which UMass Boston will use to purchase the Bayside Exposition Center property and to fund the substructure project and other facilities projects, will increase debt service expenses by almost \$1.6M compared to budget.

As of the fall 2009 snapshot, UMass Boston FTEs totaled 1,899.6, an increase of 1.4% compared to a year earlier. FTE's on unrestricted funds rose by 1.1%, while grant-funded positions grew by 5.0%. Most of the FTE growth on unrestricted funds is a result of the addition of new faculty positions, both tenure-stream and adjunct faculty, to support FY10 enrollment growth.

FY11 Budget Process

The overall goal for the FY11 planning and budget process was to develop a budget that would address the campus's financial challenges but still enable UMass Boston to make continued progress on current strategic goals and to begin to address other identified institutional priorities. The Chancellor wanted to make more explicit the link between planning (current strategic goals) and the FY11 budget. To ensure that we had an open and participatory process, we reached out to various organized constituent groups on campus, including the Faculty Council's Budget and Long-Range Planning Committee, the Revenue Advisory Committee, the Academic Enrollment Planning Committee, the Union Leadership Group, and other strategic planning subcommittees.

The campus budget process included a rigorous review of base budgets for consistency with the Strategic Plan, not merely a focus on requests for new resources. As we did for the FY10 budget process, we asked all of the Vice Chancellors to develop six-percent expense reduction scenarios for their base budgets so that we could understand the implications of major spending cuts on our academic enterprise and campus operations. The Office of Budget and Financial Planning worked with Institutional Research to make the budget process more analytical and data driven by providing information on topics such as recent enrollment growth as well as a preliminary analysis of cost and revenue per Instructional Full-Time Equivalent by college.

Overview of FY11 Budget

Given the assumptions in the FY11 budget, we project Income before Other Revenues, Expenses, Gains and Losses will total \$292,000, with a resulting operating margin of 0.1%. As a result of state capital funding of nearly \$8.3M to stabilize the campus's infrastructure, we estimate that Net Assets will grow by \$7.5M.

Revenue – The FY11 budget projects that that Total Operating Revenue, including state appropriation, federal stimulus money, gifts and investment income, will grow to \$309.6M, a 6.0% increase compared to forecasted FY10 Operating Revenue. One of the major changes in FY11 compared to FY10 is a decrease in federal stimulus funds from \$25.6M to \$8.5M. Offsetting this decline in Education Stabilization money is an anticipated \$13.2M (11.6%) rise in Tuition and Fee Revenue and a projected \$15.7M (21.2%) increase in state support. The drivers of the growth in student revenue are the assumption of no rebate of any of the \$1,500 fee increase approved by the Board of Trustee in February 2009 and a 4.0% rise in enrollment. The third major revenue sources that will contribute to the expected growth in Operating Revenue is Grants and Contracts, projected to increase by \$3.2M (5.2%).

Given these revenue assumptions, we project that student revenue will continue to be the largest source of revenue for UMass Boston in FY11, providing 40.9% of total revenue. Based on the assumptions in the FY11 budget, the state appropriation would be 29.0% of total revenue, with federal stimulus funds accounting for 2.8%. Grants and Contracts would be the third largest revenue source at 21.1%.

Expenses – The projected growth in expenses for FY11 reflects UMass Boston's strategic priorities, including adding tenure-system faculty and moving forward with the campus Master Plan. The FY11 budget projects that Total Operating Expenses (including Interest Expense) will increase by \$20.1M (6.9%) to \$309.3M. The largest part of this growth will be \$9.7M (25.4%) for Fringe Benefits, driven by a projected rise in the fringe rate from 26.42% in FY10 to 33.12% in FY11. For Salaries and Wages, we anticipate an increase of \$6.2M (4.2%) driven by both a rise in the number of employees and cost-of-living adjustments.

The FY11 budget authorizes an increase of 40 FTEs (2.1%), including 33 FTEs (1.9%) on unrestricted funds and seven (5.0%) on grants and contracts. As a result, total authorized FTEs for FY11 are 1,939, with 1,799 on unrestricted funds and 140 on grants. Almost of the FTE growth on unrestricted funds is a result of the addition of new faculty positions, both tenure-stream and adjunct faculty, to support FY11 enrollment growth. Because of the large decrease in federal stimulus funds, UMass Boston expects to move 174 FTEs to trust funds.

For non-personnel expenses, we project increases in all categories, except Depreciation, for an overall growth rate of 1.8%. The largest anticipated increase is in Interest Expense, which is the result of the \$62.2M of bonds issued in October 2009 to help finance the campus substructure stabilization project. The growth in

Student Aid (\$2.2M) reflects the campus’ commitment to direct at least 20% of the revenue growth from student fee increases to financial aid. As a result of the acquisition of the Bayside property, we are projecting a 3.8% rise in Utility Expenses. UMass Boston is committed to managing Supplies & Other Services Expenses aggressively and will also benefit from one-time FY10 expenses not repeated in FY11. Partially offsetting expense growth in the other non-personnel areas is an anticipated drop in Depreciation, primarily because assets associated with the original implementation of PeopleSoft became fully depreciated in FY10.

In \$ millions	FY10 4cast	FY11 Bud	\$ Change	% Change
Interest on Indebtedness	\$6.0	\$8.4	\$2.4	40.0%
Financial Aid	\$11.5	\$13.7	\$2.2	19.1%
Utilities	\$7.9	\$8.2	\$0.3	3.8%
Supplies & Other Srvs	\$62.0	\$62.1	\$0.1	0.2%
Depreciation	\$16.4	\$15.6	(\$0.8)	-4.9%
Total Operating Exps	\$97.8	\$99.6	\$1.8	1.8%

Progress on Strategic Goals & Trustee Priorities

UMass Boston's Strategic Plan

The Boston campus is in the final year of its three-year strategic plan "*UMass Boston Renewal: Building the Student-Centered, Urban Public University of the New Century.*" The four key goals of the UMass Boston strategic plan are:

1. Increase student access, engagement, and success
2. Attract, develop, and sustain highly effective faculty
3. Create a physical environment that supports teaching, learning, and research
4. Enhance campus-community engagement through improved organizational structures.

UMass Boston has made significant progress on these goals, and is already looking ahead to the future. Chancellor J. Keith Motley has convened a Task Force under the leadership of Provost Winston Langley to create the campus's next strategic plan. He has asked that group to use a three-stage planning process:

1. Develop a clear, compelling, distinctive vision for what we want the University of Massachusetts Boston to be in the year 2025, a vision that will answer the important question of "why will students and faculty want to come to UMass Boston in 2025?"
2. Specify the critical variables and the accomplishments required to achieve the vision.
3. Craft a detailed and specific implementation plan for the first five years (2011 – 2015).

The goals of the campus's Strategic Plan are consistent with the priorities of the University of Massachusetts' Board of Trustees. As this section of the narrative describes, UMass Boston has made significant progress in achieving the strategic goals of our campus and of the Board of Trustees.

Enhance Student Learning Experience

Student Enrollment – Enrollment at UMass Boston has been growing rapidly in recent years, rising 25.7% since fall 2005. Consequently, the campus reached its Strategic Plan goal of 15,000 students in fall 2009, a full year ahead of schedule. Given the number of applications and deposits we have received as of late April 2010, we expect to see an additional 4.0% increase in students for fall 2010. This expanded enrollment represents both an increase in demand for the quality academic programs offered by UMass Boston and a positive response to enhanced marketing, recruitment, and student services by our campus.

In addition to a marked increase in enrollment, UMass Boston has also benefited from an expansion in the quality and range of the overall student body — including a boom in our entering freshman population, the further diversification in racial/ethnic backgrounds, and a broader geographic distribution of students' roots. Of the 11,041 undergraduates, 57% were female and 43% minority. Their average age was 25. Of the 3,871 graduate students, 69% were women and 19% were minority. The mean age was 34.

The majority of undergraduate and graduate students are in-state residents, arriving from almost all of the cities and towns in the state. The greatest populations hail from eastern Massachusetts, particularly along the public transportation routes. Students come from all of the neighborhoods in Boston, with the highest density in Dorchester, in part because many students move into this area to study at UMass Boston.

Out-of-state and international student populations now represent nearly 10% of the total enrollment at UMass Boston. UMass Boston's student body also represents 40 US states, Washington DC, Puerto Rico, and the US Virgin Islands. Since 2004, international student enrollment has grown 14 percent at the undergraduate level and 49 percent at the graduate level. UMass Boston's international student population hails from all corners of the globe, where recruiting and educational initiatives are connecting prospective students to the Boston campus.

In addition, the university has more full-time students, representing a broader range of socio-economic backgrounds. Although transfers still represent the largest portion of our entering classes, freshmen have become a larger percentage, growing from 32 percent in 2004 to 36 percent in 2009. Accompanying this growth and diversification has been an increase in quality, demonstrated by an increase in the average entering GPA – at about 3.0 – of enrolling undergraduate students.

Student Learning Environment – UMass Boston is “a research university with a teaching soul.” Even as its academic reputation grows, it continues to deliver a student-centered education that is not commonly associated with major public universities. Faculty members have strong research and publishing credentials, but teaching is also a key priority. As a result, UMass Boston students have daily access to their professors, since most teaching happens in small classrooms—not giant lecture halls.

Faculty – In fall 2009, UMass Boston had 499 full-time and 465 part-time faculty members. As one of its strategic goals, UMass Boston is working to increase the proportion of its faculty that is tenure stream, which declined significantly as a result of an early retirement program in 2002-2003. For FY10, the Boston campus hired 38 new faculty members, including four with tenure. Of the 38, 15 represent new lines (meaning they had not been held by a previous faculty member). For FY11, we expect to have 37 new faculty members, 15 of which represent new

positions. These hires will strengthen our teaching and research. But, because enrollment has been growing rapidly in recent years, the academic departments have struggled to conduct searches and hire new tenure-system faculty at the same rate. Consequently, the percent of faculty who are tenure-stream is increasing more slowly than desired.

Maintain Access and Affordability

Financial Aid -- As a mark of its commitment to continue to provide access and affordability for students, UMass Boston has increased financial aid offerings by 108% since 2004, contributing \$10.9 million for fiscal year 2009. Average aid packages have grown with fee increases, so that the FY09 average package was \$11,174. Paralleling enrollment growth is an increase in applicants receiving need-based financial aid (4,700 to 5,900 over the past five years), though the percentage of undergraduate degree seeking students who apply for financial aid has held steady at 67%. For FY11, the Boston campus has once again committed to use at least 20% of the revenue generated from the student fee increase for financial aid. Interestingly, the proportion of dependent students (57 percent) is greater than that of independent students (43 percent) in the pool of financial aid recipients, another indication of age change and a demographic shift that reflects UMass Boston's widening student body, cutting across more income ranges and geographic origins.

Academic Support – Increased enrollment required increased programming and support to assure student engagement and success. To help students to succeed in their studies, UMass Boston provides academic support in the form of both academic instruction and tutoring. Academic programs include general education courses in critical analysis, mathematics/quantitative reasoning, and academic courses for non-native speakers of English. The campus also offers instruction in verbal skills, English for non-native speakers, and mathematics through an alternative admissions program called Directions for Student Potential. Tutorial programs include both individual and group tutoring.

Continue a Focus on Diversity and Positive Climate

Overall Workforce – UMass Boston is committed to non-discrimination and multiculturalism, and has a diverse workforce. Our most recent affirmative action report shows that 56% of our employees are women and 27% are persons of color. To gain more accurate information about the composition of our workforce and our job applications, the campus upgraded its affirmative action software in 2008. In addition, Human Resources implemented an online applicant-tracking system that offers a single point of contact for all vacant positions and allows candidates to self-identify race/ethnicity, gender, and veteran status. The campus also developed a new online training program that stresses individual responsibility and highlights the Board of Trustee policies on intolerance and equal opportunity, as well as the Trustee's resolution in support of pluralism.

Student and Faculty Diversity -- UMass Boston educates the most diverse student body in New England. The diversity of the student population continues to exceed the population diversity of the region. In fall 2008, 42% of the undergraduates were students of color, and 57% were female. Findings from the National Survey of Student Engagement (NSSE) 2008 show that our student body is much more internationally, racially, and ethnically diverse than students in the comparison groups. Our students are also much more likely to speak a language other than English at home. The comparison is particularly striking among freshmen, over half of whom are first-generation college students. Also, our students (even freshmen) juggle educational, work, and familial responsibilities to a greater extent than students in our NSSE comparison groups. Of our freshmen respondents, 60 percent reported spending time caring for dependents, versus 46 percent in the Urban Consortium and 29 percent among all public four-year institutions.

The cultural diversity of the campus is reflected in the diversity of our faculty. Of the 964 faculty, 54.9% are female and 45.1% are male. 15.1% are minorities, 71.3% are white, with the rest of unknown ethnic background. In March 2009, “Diverse Issues in Higher Education” ranked UMass Boston as a top 12 doctoral university with the largest share of female tenured professors. Since the mass retirements that occurred as a result of the early retirement programs in 2002 and 2003, UMass Boston has recruited women and minorities to the faculty in percentages that far exceed those whom we lost. For FY10, UMass Boston hired 34 new tenure-system faculty, 36% of whom are persons of color and 70% of whom are female.

Safety Planning/Crisis Management – During the past year, the university has continued to improve its safety planning and business continuity efforts.

- In fall 2009, UMass Boston took a number of steps to ensure that it was well prepared for the possibility of a major outbreak of H1N1 flu. With its primary concern the health and safety of students, faculty and staff, a campus-wide committee met regularly to plan for an expected severe flu season, to educate the campus community about flu prevention and care of people who became ill, and to implement the recommendations of the Boston Public Health Commission, the Massachusetts Department of Public Health, and the Centers for Disease Control. UMass Boston also hosted a Flu Summit to provide information to the campus community and Health Services also provide seasonal and H1N1 flu clinics.
- The UMass Boston Safety Planning Committee has continued to meet regularly and has overseen the creation of a new safety awareness poster for use throughout campus. This poster includes key information in a number of categories including fire, hazardous materials, infrastructure problems, and campus violence.

- UMass Boston has continued to refine and revise emergency response plans and test our Emergency Notification System, working with the University System to assess needs for ENS and business continuity tools. We developed specific continuity plans for ten core university departments and have begun to utilize the DR/BC software purchased for the campus for these plans.
- The Boston campus established a new Office of Safety Planning in March of 2010 to oversee key elements of safety and continuity planning for the campus.

Strengthen the Research Environment

In FY09, UMass Boston increased its efficiency when deploying its resources for identifying and submitting proposals for externally sponsored funds. Although the 387 proposals submitted to external sponsors in FY09 represent a small increase in the 351 submitted in FY08, the \$91.5M total funds requested in FY09 set a new record for UMass Boston. Similarly, although the total funds awarded in FY09, \$42,226,973, decreased slightly from FY08, the five-year total awards average rose yet again, from \$39.2M to \$40.7M. These numbers illustrate that UMass Boston, like most institutions of higher education in the United States, was not immune to the dramatic weakening of the national and Massachusetts economies. However, as of the end of the FY10 3rd quarter, sponsored awards made to UMass Boston are trending upward, resulting in a well-tempered optimism that FY10 total awards will surpass FY09 total awards.

The anticipated growth reflects the increased focus provided by a research strategic plan established in 2007 and the strategic allocation of resources to research infrastructure and to eight research clusters. Identified in conjunction with the Battelle Technology Partnership Practice, the nation's largest nonprofit research and development organization that served as a consultant to the university in 2006-2007, the university is actively and successfully pursuing the following five research clusters: urban health and public policy research; developmental sciences; science and math education and learning research; computational sciences, analysis and modeling; and inter- and trans-cultural studies.

New Institutes and Centers to Further Support the Growth of Research --Within the strategic framework of implementing and strengthening its multidisciplinary research clusters, UMass Boston established four new institutes and centers: Center for Personalized Cancer Therapy (in partnership with the Dana-Farber/Harvard Cancer Center); Collaborative Institute for Oceans, Climate, and Security; Developmental Sciences Research Center; and the Institute for New England Native American Studies. These new institutes and centers possess much potential for increasing the amount external funds awarded to UMass Boston in the next few years.

Venture Development Center – In May 2009, UMass Boston officially opened its cutting-edge Venture Development Center (VDC). The VDC offers state-of-the-art labs and research and collaborative facilities for UMass Boston's faculty and students to pursue research and development that will drive lasting change and create new products and services that dramatically improve people's lives. As the campus' focal point for industry outreach and partnering, the 18,000-square-foot innovation center significantly expands UMass Boston's research and development activity and provides entrepreneurial opportunities for faculty and students.

The VDC has reached 75% occupancy, including two life science companies, six high tech companies, and UMass Boston's Developmental Sciences Research Center and the Center for Personalized Cancer Therapy. As it becomes the home for a growing number of ventures, the VDC is attracting more and more attention. For example, the Venture Development Center recently made the Xconomy list of the best resources for entrepreneurs in New England. In addition, the campus has been able to place 46 students into paid internships with venture-backed start-up companies both in and outside of the VDC through UMass Boston's Student Entrepreneurship Program (StEP).

Increase Endowment

The current financial and economic turmoil is making the job of the Office of University Advancement more challenging, at least in the short run. Nonetheless, UMass Boston is continuing its efforts to strengthen its relationship with current donors and to cultivate new potential contributors. For example, the existence of the Founders Circle and the Chancellor's Council, respectively honoring cumulative philanthropy of \$100,000 or more and annual giving at the \$1,000-plus level, are helping our fundraising efforts. More than 200 individuals and organizations are charter members of these two groups. In addition, the Boston campus is working hard to renew relationships with its over 85,000 alumni, including 11,000 of whom are Boston State College graduates. At last year's commencement, UMass Boston held a successful celebration of the 50th anniversary of the charter class of UMass Boston and the Boston State class of 1969.

For FY10, we project fundraising from private sources to be \$19.0M, the same level as in FY09. For FY11, the target is \$25.2M.

Develop First-Rate Infrastructure

Campus Master Plan – UMass Boston continues to move ahead to ensure that the campus master plan's vision for the future becomes a reality. To help manage the growing workload, the Office of Campus Master Planning hired its second staff member, an assistant campus planner, in fall 2009.

Master Plan projects currently in planning include:

- **Integrated Sciences Complex** – The Commonwealth’s Designer Selection Board approved the continuation of Goody Clancy’s services for the design of the Integrated Sciences Complex (ISC). The design phase has commenced (an approximate 12 month process) and the building is anticipated to open in late 2013.
- **General Academic Building** – Internal planning for the General Academic Building has begun, and the steering committee (comprised of most of the deans, the vice provost for information technology, and the provost) is currently meeting biweekly. At this time, we expect that this new building will include general purpose classrooms and campus-wide functions, such as student common space, seminar and breakout rooms, and food service venues.
- **Road and Utilities Projects** – The campus continues to collaborate with the Division of Capital Asset Management (DCAM) and the UMass Building Authority (UMBA) on advancing utility and roadwork projects. UMBA has submitted a notice to the Central Register requesting proposals for consultant services on the campus utility corridor and roadway project. These services will result in the development of a feasibility study and conceptual design.
- **Space Allocation Planning** – The campus, in collaboration with Division of Capital Asset Management, is working with Goody Clancy Associates and its sub-consultant, Rickes Associates, on analyses and studies that will shape the development of a campus-wide space allocation plan. This plan will provide a framework for the programming of two new general academic buildings and will develop a strategic and cost-effective approach to accommodating priority needs in renovated space in McCormack and Wheatley Halls based on building code trigger thresholds and available capital resources.

Purchase of Bayside Exposition Center -- To help meet our space needs over the next several years, UMass Boston is purchasing the Bayside Exposition Center. Additional space will be crucial for UMass Boston as we develop the first new academic facilities on our campus in 35 years. With our current facilities and parking already strained to capacity, we will need space to replace parking eliminated during the construction process and to house relocated offices and classrooms during renovations to existing buildings. Bayside will provide the Boston campus with much needed flexibility during the long master planning construction process.

Edward M. Kennedy Institute for the Study of the Senate -- In addition, UMass Boston is working with the UMass Building Authority on the planning of the Edward M. Kennedy Institute for the Study of the Senate that will be developed on a two-acre plot on our campus. The Institute will be dedicated to educating the general

public, students, teachers, new Senators, and Senate staff about the role and importance of the Senate. In keeping with Senator Kennedy's lifetime of public service, a major goal of the Institute will be to improve civic education in the nation and educate and inspire a new generation of active citizens and legislators. In all of its programs, the Institute will draw heavily on Senator Kennedy's extensive papers and oral history materials covering his more than four decades in the Senate.

Facilities Improvement Projects – Both NEASC, in its last accreditation review, and the Marsh report on emergency preparedness cited the condition of the Boston campus's facilities as a significant area of concern. UMass Boston recognizes the many issues with its facilities and continues to work to improve its physical infrastructure and facilities portfolio.

One of the biggest infrastructure projects is Substructure Stabilization, which, as its name implies, involves stabilizing the substructure, the two-level former garage, on which the campus sits. This major project, which also includes installing new covered walkways at the lower level of the substructure in the Science, and McCormack buildings to provide for safe passage for authorized personnel, installing a new substructure fire alarm system and repairing or replacing the fire suppression system, and replacing the Utility Plant roof, to protect the structure housing the boilers and chillers providing heating and cooling to campus buildings, is expected to continue into fall 2010.

Examples of just a few of the many other projects completed or undertaken during FY10 include:

- Completed renovations for the Health Services Counseling Center, which expanded the space available for the growing demand for mental health counseling.
- Started design work on a project to make certain restrooms fully accessible at the Catwalk level, which is the most accessible campus route between buildings, as well as at other key locations on campus.
- Completed the replacement of the fire protection system for the UMass Boston telecommunications room, replacing a non-compliant halon-based system. This project was funded with DCAM Deferred Maintenance monies.
- Initiated construction for the replacement of the Healey Library emergency generator. This project, which will reach substantial completion in June 2010, replaces a failed and undersized generator. Most importantly, the new generator will have the capacity to operate the fire pumps for this 11 story building.
- Completed a feasibility study for the installation of a fire sprinkler system and the replacement of the fire alarm system in Healey Library.
- Initiated a roof repair and replacement program for the Campus Center, Clark Athletic Center, Healey Library, McCormack Hall, Science Center, Service and Supply Building and Wheatley Hall.

Improve Delivery of Administrative and IT Services

UMass Boston continues to improve the delivery of its administrative and IT services in support of the campus's academic endeavors.

IT – Working with UITS, the Information Technology Services Division at UMass Boston completed major project upgrades for HR Direct and the Student Administration systems. In FY 10, the Information Technology Services Division at UMass Boston continued work on improving the campus technology infrastructure. Among the improvements completed or initiated this year are:

- Expansion and enhancement of the campus wireless network to provide secure access to the campus network from all campus buildings
- Improvement of network security through the introduction of intrusion prevention and intrusion detection systems
- Construction of a prototype virtual computing lab (VCL) in collaboration with UMass Dartmouth that will allow access to campus computing resources from any location and any type of computer
- Enhanced data storage capacity for researchers
- Enhanced email services for students by moving them to Microsoft Live @edu
- Collaboration with the Communications Department to redesign the UMass Boston web site
- Introduction of lecture-capture capabilities into technology classrooms

In FY11, IT plans to:

- Expand the self-service functionality of the HR Direct and the Student Administration systems, which will enable employees and students to access and manage their own records
- Implement a strong Identity Management\Single Sign-on security application to ensure faculty, staff and student records are secured from theft and provide 24\7 global access.
- Design and deploy the University business intelligence (SUMMIT) application to provide 'dashboard' reporting solutions for all Enterprise applications, including Finance, Grants, Human Resources, Advancement, Student Administration, for executive leadership.
- Implement an enterprise-level document management\optical imaging pilot project with Graduate Studies that will reduce paper usage, increase business process effectiveness\efficiencies, and integrate with all Enterprise Applications.

Administration & Finance – Administration and Finance has undertaken a large number of projects in FY10 designed to improve services. Examples of a few of these projects include:

- To help insure best practices, issued a number of updated policies, including policies covering travel and other employee business expenses, employee

entrance and exit, and provided training to faculty and staff about these policies.

- As part of the University-wide effort to improve financial operations, implemented the PeopleSoft Expense Module within the Controller's Office.
- To better support the campus's human resource needs, Human Resources began implementation of an HR Business Partner model. Under this model, each HR Business Partner provides one-stop shopping for units by delivering the full range of Human Resources support and leadership to the departments within his/her area of responsibility and for advise and by ensuring compliance with all applicable federal and state laws and regulations, as well as all applicable University Policies and contractual obligations.
- In an effort to streamline and further automate the campus budget process and facilitate decision-making, purchased and implemented an electronic budget module that we are using for the FY11 budget process. As part of this project, we also rolled out a position management system for all benefitted positions on all unrestricted funds.
- Provided more and better information about the campus's financial situation including an "Understanding UMass Boston Budget" presentation to provide campus community with basic understanding of UMass Boston's revenue sources and expenditures. We are currently in the process of analyzing cost and revenue per instructional full-time equivalent (student) by college.
- Worked with IT to continue the implementation of HR Direct, including a roll-out of several aspects of manager self-service and check suppression.
- Led the effort for the development of a plan for improved and updated internal signage consistent with the UMass Boston branding plan and the welcoming environment efforts.

Position the University in the Higher Education Marketplace

We continue to successfully raise the profile of the University of Massachusetts Boston. The Boston campus is nationally recognized as a model of excellence for urban universities. The UMass Boston story -- with its high-quality faculty, cutting-edge research, and education for excellence -- is being heard, locally, regionally, and nationally.

UMass Boston is attracting more attention from prospective students, who recognize the outstanding education and value that it offers. Nearly 1,400 people attended Welcome Day on April 10, 2010, with the number of prospective student participating increasing by 32% compared to last year. As of April 26, undergraduate applications had risen 8.8% and acceptances 15.1% compared to the same time last year. In addition, the Boston campus has received 155 more undergraduate deposits than it had a year ago at this time. Consequently, we are very confident that we will achieve our projected 4% enrollment increase for FY11.

UMass Boston is receiving growing attention as a source of information and expertise about international, national, state and local events and public policy. News-followers may have noticed increasing numbers of UMass Boston faculty experts offering informed comment in the media. Examples include Christian Weller (Public Policy) blogging on the struggling economy to Jean Rhodes (Psychology) interviewed by ESPN about her book on Manny Ramirez to political scientist Paul Watanabe and McCormack School Dean Steve Crosby commenting on local politics. A newly configured studio in the Healey Library provides a setting for many media appearances, including “Affairs of State,” shown every Thursday afternoon on New England Cable News.

UMass Boston will continue to improve its reputation and visibility with the new strategic plan that it is developing. The Chancellor told the members of the strategic planning task for that he is looking for strategies to pursue top classifications in all the work we do as an institution of higher education, and to explore strategies that will allow us to bring the vast intellectual resources of our university to bear on a deeper and broader range of academic research and civic engagement, with an impact that will draw serious consideration from a broader array of prospective students from around the world and offer our existing students a richer educational experience than can be had today.

Conclusion

The University of Massachusetts Boston is at a critical point in its evolution. As Boston’s only public research university, we must honor our commitment to teaching, yet move forward as the research university we are becoming. To continue to fulfill our twin roles as an educator of a diverse group of students and an economic engine for the Commonwealth, we must expand our teaching and learning to prepare students to succeed in a rapidly changing, transnational world; further, we must graduate greater numbers of students, to sustain economies of scale and to meet the growing demand for a well-educated workforce.

We recognize and acknowledge the financial challenges that face our campus, the UMass system and the Commonwealth. But we firmly believe that we can best serve our students, our faculty, our staff and our state not by standing still or retrenching, but by continuing to move UMass Boston forward toward its goal of being a great urban public research university, with a teaching soul.

FY 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
Boston Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2011 Operating Budget Statement
(in thousands of dollars)

	FY2011 BUDGETED					
	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual Basis	FY11 Budget-Accrual Basis	FY10 to FY11 Change	
REVENUES						
Operating Revenues						
Tuition and Fees	\$112,309	\$123,053	\$144,507	\$151,228	\$6,721	5%
Scholarship allowance	-\$16,003	-\$16,595	(\$30,928)	(\$24,462)	\$6,466	-21%
Tuition and Fees (net of scholarship allowances)	\$96,306	\$106,458	\$113,579	\$126,766	\$13,187	12%
Federal Grants and Contracts	\$34,361	\$37,904	\$42,033	\$45,270	\$3,237	8%
State Grants and Contracts	\$7,467	\$8,690	\$8,784	\$7,886	(\$898)	-10%
Local Grants and Contracts	\$902	\$817	\$641	\$692	\$51	8%
Private Grants and Contracts	\$10,160	\$10,590	\$10,724	\$11,582	\$858	8%
Sales & Service, Educational	\$1,479	\$2,226	\$3,130	\$2,950	(\$180)	-6%
Auxiliary Enterprises	\$9,012	\$9,441	\$9,585	\$10,014	\$429	4%
Other Operating Revenues:				\$0		
Sales & Service, Independent Operations				\$0		
Sales & Service, Public Service Activities				\$0		
Other	\$855	\$965	\$212	\$197	(\$15)	-7%
Total Operating Revenues	\$160,542	\$177,091	\$188,688	\$205,357	\$16,669	9%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	\$102,288	\$101,500	\$110,498	\$117,264	\$6,766	6%
Research	\$27,361	\$28,265	\$30,571	\$31,575	\$1,004	3%
Public Service	\$5,197	\$6,531	\$6,888	\$7,479	\$591	9%
Academic Support	\$24,351	\$23,018	\$24,883	\$29,923	\$5,040	20%
Student Services	\$18,746	\$18,511	\$19,822	\$20,296	\$473	2%
Institutional Support	\$32,204	\$29,353	\$31,853	\$33,945	\$2,093	7%
Operation and Maintenance of Plant	\$20,443	\$18,397	\$21,401	\$21,956	\$555	3%
Depreciation and Amortization	\$15,707	\$16,460	\$16,428	\$15,578	(\$850)	-5%
Scholarships and Fellowships	\$7,559	\$9,371	\$11,497	\$13,672	\$2,175	19%
Auxiliary Enterprises	\$7,966	\$8,083	\$9,345	\$9,257	(\$88)	-1%
Other Expenditures				\$0		
Independent Operations				\$0		
Public Service Activities				\$0		
Total Operating Expenses	\$261,822	\$259,489	\$283,185	\$300,945	\$17,760	6%
Operating Income/(Loss)	-\$101,280	-\$82,398	(\$94,498)	(\$95,588)	(\$1,090)	1%
NONOPERATING REVENUES/(EXPENSES)						
Federal Appropriations	\$0	\$0	\$0	\$0	\$0	
State Appropriations	\$109,263	\$93,175	\$74,075	\$89,745	\$15,671	21%
Gifts	\$2,041	\$1,342	\$1,760	\$2,250	\$490	28%
Investment Return	\$1,691	-\$2,503	\$2,051	\$2,745	\$694	34%
Endowment Return	\$1,057	\$1,045	\$880	\$990	\$110	13%
Interest on Indebtedness	-\$4,511	-\$6,810	(\$6,048)	(\$8,379)	(\$2,331)	39%
Other Nonoperating Income	\$69	\$238	\$0	\$0	\$0	
Revenue from Stimulus Funds			\$25,606	\$8,529	(\$17,077)	-67%
Net Nonoperating Revenues	\$109,610	\$86,487	\$98,323	\$95,880	(\$2,443)	-2%
Income Before Other Revenues, Expenses, Gains and Losses	\$8,330	\$4,089	\$3,826	\$292	(\$3,534)	-92%
Gains and Losses						
Capital Appropriations	\$2,704	\$1,654	\$17,150	\$8,250	(\$8,900)	-52%
Capital Grants and Contracts	\$1,500	\$378	\$0	\$0	\$0	
University Related Transactions	\$0	\$0	\$0	\$0	\$0	
Disposal of Plant Facilities	-\$1,282	\$745	(\$1,055)	(\$1,080)	(\$25)	2%
Other Additions/Deductions	\$1,761	-\$789	\$0	\$0	\$0	
Total Other Revenues, Expenses, Gains & Losses	\$4,683	\$1,988	\$16,095	\$7,170	(\$8,925)	-55%
Total Increase in Net Assets	\$13,013	\$6,077	\$19,921	\$7,462	(\$12,459)	-63%
NET ASSETS						
Net Assets at Beginning of Year	\$156,792	\$169,805	\$175,882	\$195,803	\$19,921	11%
Net Assets at End of Year	\$169,805	\$175,882	\$195,803	\$203,265	\$7,462	4%

Table 2
University of Massachusetts
Boston Campus
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$132,577	\$138,386	\$146,999	\$153,196	\$6,197	4.2%
Employee Fringe Benefits	\$43,109	\$29,546	\$38,371	\$48,119	\$9,748	25.4%
Scholarships & Fellowships	\$7,559	\$9,371	\$11,497	\$13,672	\$2,175	18.9%
Utilities	\$7,234	\$7,823	\$7,923	\$8,238	\$315	4.0%
Supplies and Other Services	\$55,636	\$57,903	\$61,967	\$62,142	\$175	0.3%
Depreciation	\$15,707	\$16,460	\$16,428	\$15,578	(\$850)	-5.2%
TOTAL	\$261,822	\$259,489	\$283,185	\$300,945	\$17,760	6.3%

Table 3
University of Massachusetts
Boston Campus
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty	453.9	463.9	470.5	490.5	20.0	4.2%
Professional Staff	378.0	384.9	408.4	291.6	(116.8)	-28.6%
Classified Staff	288.3	288.0	277.6	200.3	(77.3)	-27.9%
Subtotal, State Funded	1,120.2	1,136.8	1,156.5	982.4	(174.1)	-15.1%
NON-STATE FUNDED POSITIONS						
Faculty	219.5	236.2	311.3	320.3	9.0	2.9%
Professional Staff	250.6	251.0	223.7	345.2	121.5	54.3%
Classified Staff	87.1	86.8	74.3	150.9	76.6	103.1%
Subtotal, Non-State Funded	557.2	574.0	609.3	816.4	207.1	34.0%
Total Unrestricted/Designated	1,677.4	1,710.7	1,765.8	1,798.8	33.0	1.9%
RESTRICTED FUNDS						
GRANT FUNDED POSITIONS						
Faculty	0.0	0.0	0.9	0.9	0.0	5.0%
Professional Staff	76.8	81.2	113.5	119.2	5.7	5.0%
Classified Staff	16.9	19.0	19.4	20.3	1.0	5.0%
Subtotal, Grant Funded	93.7	100.2	133.8	140.4	6.7	5.0%
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	93.7	100.2	133.8	140.4	6.7	5.0%
TOTAL UNRESTRICTED AND RESTRICTED	1,771.0	1,810.9	1,899.6	1,939.2	39.7	2.1%

* 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 2011 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

	UNDERGRADUATE		GRADUATE		TOTAL	
	HC	FTE	HC	FTE	HC	FTE
Fall 2010 projected	11,459	8,959	4,047	2,775	15,506	11,734
Fall 2009	11,041	8,488	3,871	2,668	14,912	11,156
Fall 2008	10,478	7,965	3,639	2,477	14,117	10,442
Fall 2007	10,008	7,432	3,425	2,385	13,433	9,817

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

DARTMOUTH CAMPUS



**UNIVERSITY OF MASSACHUSETTS DARTMOUTH
FY 2011 OPERATING BUDGET**

The resource constraints that the University of Massachusetts Dartmouth currently faces are neither short-term or confined to our community. They are generated by a world-wide and structural economic crisis that will likely continue for an extended period of time and has affected public and private institutions, businesses, non-profit organizations, and families all across our country. Private institutions have seen their endowments collapse; non-profits have seen philanthropic giving dramatically shrink; and families have been hit hard by layoffs and declining investment returns.

Yet, higher education is more valuable than ever. Increasingly, a four-year college degree is a prerequisite for a strong quality of life, especially in Massachusetts, where the economy is driven by knowledge and innovation. Here on the SouthCoast, 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.

State funding of public higher education in Massachusetts and nearly every other state has been declining for nearly a quarter century. Over the past several years, UMass Dartmouth has seen severe cuts in state allocations, requiring that we once again examine what our revenue streams must be and from where they must come. Further, we must determine the most effective and efficient way to deliver our core academic, student and administrative services. Our financial projections illustrate this approach.

Methodology

The FY2011 Operating Budget uses FY2009 actual audited results and FY2010 projected results as a basis for our projections. In addition, the projections make assumptions regarding the state appropriation, collective bargaining, fringe benefit rates, expense inflation, tuition and fee rates as well as the impact of the loss of the short-term support provided by the American Reinvestment and Recovery Act (stimulus funds).

All assumptions are consistent with the guidelines established by the President's Office. Other assumptions such as enrollment, research, investment and endowment income, financial aid, capital improvement activity, operating budget and the annualization of personnel reductions from (FY10), payment of debt and the impact of accrual or financial statement adjustments to budget amounts, were developed by the campus.

Results

FY2010 projections show the campus slightly improving its financial condition. During Fiscal Year 2010, several strategic budget priorities were funded through the use of stimulus funds. Stimulus

funds were budgeted for one-time expenses as well as those activities which would generate revenue in the future, primarily enrollment growth. In addition, stimulus funds were earmarked to cover the student fee rebate program and long-term contractual arrangements previously funded by special state appropriations. The overall strategy for spending stimulus funds was intended to minimize the funding cliff in fiscal year 2011 by investing in activities that were one-time or could be funded to enhance revenue growth in future years. Specifically, funds were targeted in the following areas; investments in on-line programs, academic program expansion, lab and classroom renovations, including technology, campus-wide security enhancements and advancement activities aimed at increasing fundraising dollars to the campus.

The combination of increased revenue from enrollment, both permanent and one-time expense reductions, and the strategic allocation of stimulus funds assisted with softening the much talked about “financial cliff” to a much easier to manage “financial slope” as the stimulus funding would disappear in fiscal year 2011.

The FY2011 projections show no change to the campus Financial Cushion and Operating Margin. It should be noted the Dartmouth Campus has dramatically improved its financial position for several years prior to FY2011. The overall financial statements project an increase in Total Net Assets of approximately \$14.0 million. This increase is directly attributable to the \$43.0 million renovation of the Claire T. Carney Library. The campus has 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 from state general obligation bond funds from Chapter 258 of 2008. Construction has begun and will continue through 2014. Highlights of the project are described below.

A 5,000 square foot expansion to the north will be accomplished by glassing in an area between the library and the Group II lecture halls. This will provide a compelling entrance and new areas for students and faculty to gather and exchange ideas. Expansion and renovation of the first floor will create larger and better space for public presentations and lectures, along with a cafe and meeting places.

The Library will better meet the needs of active "net generation" learners through newly-created spaces designed for collaborative study, including a learning commons where group work, mentoring and consultation will be the norm. The library will also offer improved spaces for quiet, individual study.

The Library will continue to support research and scholarship through its collections and research services. Current space will be redesigned and renovated to house the growing collection of books and journals. Well-designed, complementary physical and virtual services and access points will meet the needs of the campus and region. Enlarged and properly designed spaces will meet the access and preservation needs of the library's expanding general collection and collections of regional and national interest.

Specific Campus Based Assumptions

The two largest operating revenue streams for the Dartmouth Campus are the Curriculum Support Fee and State Maintenance Appropriation. The State Maintenance Appropriation estimate is provided by the President's Office consistent with the legislative process. Curriculum Support Fee revenues are determined by both rate and volume. The Dartmouth projection assumes the Curriculum Support Fee rate will not increase for FY2011. The Other campus-based assumptions are listed below.

- Annualization of permanent operating budget and personnel reductions and re-allocations that occurred in FY2010.
- additional borrowing related to the energy savings program
- Additional need-based financial aid in FY2011.
- Investments in facility operations, recruitment, marketing, research and library resources.
- Minimal annual change in our accrual adjustments. We are projecting that we will reduce or maintain the value of compensated absences through annual holiday season closing of campus and better monitoring of time and effort reporting.
- University of Massachusetts Dartmouth Law School revenues and expenses incorporated in plan with no impact to the bottom-line

FY2011 Budget Challenge

We must now plan for a fiscal year 2011 that promises to be challenging. The Commonwealth's economy appears to be improving yet the University may not see the benefit of the improving economic condition until fiscal year 2013. The campus has strategically allocated resources which will enhance future revenue growth including undergraduate and graduate enrollment, external research funding, advancement activities, student retention, facility infrastructure,

To meet this challenge we will be required to make strategic operating budget and personnel reallocations; increase enrollment; provide increased need-based financial aid; and focus available funds on investments that will enhance our ability to raise future revenue.

Federal Stimulus funds

To date, the Governor, the House of Representatives and the Senate Ways and Means budget have proposed that the UMass system receive ARRA funds for FY11. These ARRA funds, if any, will once again be used for initiatives that will ignite future revenue growth, such as enrollment and retention (undergraduate, graduate, and online), fundraising, grant development, faculty start-up packages, etc. In addition, facility improvements already underway that are critical to enhancing the safety of students, teaching, and research will be supported.

Conclusion

We have made the above decisions after careful and thoughtful consideration of all practical alternatives. In each case, we feel confident that they position this campus for long-term excellence.

Throughout this process, the campus community has been asked for input and ideas that could improve service and reduce costs. Many excellent suggestions have already been adopted and more are in progress.

The campus community has also been asked to consider an approach based on shared burden and shared sacrifice. Although many have responded to meet that challenge, more is required in order for UMass Dartmouth to meet its mission of teaching, research and service to the Commonwealth.

FY 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
Dartmouth Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2011 Operating Budget Statement
(in thousands of dollars)

			FY2011 BUDGETED			
	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual/Adjusted Basis*	FY11 Budget-Accrual Basis	FY10 to FY11 Change	
REVENUES						
Operating Revenues						
Tuition and Fees	\$74,228	\$76,913	\$91,771	\$92,527	\$756	1%
Scholarship allowance	(\$14,106)	(\$15,451)	(\$25,934)	(\$20,929)	\$5,005	-19%
Tuition and Fees (net of scholarship allowances)	\$60,122	\$61,462	\$65,837	\$71,598	\$5,760	9%
Federal Grants and Contracts	\$17,586	\$18,324	\$23,249	\$23,249	\$0	0%
State Grants and Contracts	\$5,735	\$5,174	\$7,843	\$7,843	\$0	0%
Local Grants and Contracts	\$97	\$287	\$289	\$289	\$0	0%
Private Grants and Contracts	\$4,589	\$5,221	\$4,399	\$4,399	\$0	0%
Sales & Service, Educational	\$61	\$51	\$55	\$55	\$0	0%
Auxiliary Enterprises	\$37,181	\$40,785	\$40,386	\$40,742	\$356	1%
Other Operating Revenues:				\$0		
Sales & Service, Independent Operations				\$0		
Sales & Service, Public Service Activities				\$0		
Other	\$4,190	\$4,639	\$3,785	\$3,810	\$25	1%
Total Operating Revenues	\$129,561	\$135,943	\$145,843	\$151,985	\$6,142	4%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	\$63,998	\$59,658	\$62,131	\$66,835	\$4,704	8%
Research	\$18,100	\$17,199	\$19,777	\$19,307	-\$470	-2%
Public Service	\$2,734	\$3,337	\$3,275	\$3,032	-\$243	-7%
Academic Support	\$23,264	\$21,996	\$24,248	\$24,766	\$518	2%
Student Services	\$8,366	\$8,157	\$7,921	\$7,815	-\$106	-1%
Institutional Support	\$19,292	\$17,742	\$18,199	\$19,030	\$831	5%
Operation and Maintenance of Plant	\$19,451	\$19,234	\$21,784	\$21,059	-\$725	-3%
Depreciation and Amortization	\$11,966	\$12,201	\$12,302	\$12,852	\$550	4%
Scholarships and Fellowships	\$3,142	\$3,623	\$5,169	\$5,790	\$620	12%
Auxiliary Enterprises	\$18,524	\$20,633	\$23,470	\$23,008	-\$463	-2%
Other Expenditures						
Independent Operations						
Public Service Activities						
Total Operating Expenses	\$188,837	\$183,780	\$198,278	\$203,494	\$5,216	3%
Operating Income/(Loss)	-\$59,276	-\$47,837	(\$52,435)	(\$51,509)	\$925	-2%
NONOPERATING REVENUES/(EXPENSES)						
Federal Appropriations	\$0	\$0			\$0	
State Appropriations	\$66,166	\$55,876	\$44,181	\$55,805	\$11,624	26%
Gifts	\$0	\$0			\$0	
Investment Return	\$1,179	\$683	\$725	\$945	\$220	30%
Endowment Return	\$788	\$1,091	\$350	\$450	\$100	29%
Interest on Indebtedness	-\$8,457	-\$8,276	(\$8,200)	-\$8,200	\$0	0%
Other Nonoperating Income	\$2,373	\$1,220	\$387	\$387	\$0	0%
Revenue from Stimulus Funds			\$19,106	\$5,243	-\$13,863	-73%
Net Nonoperating Revenues	\$62,049	\$50,594	\$56,549	\$54,630	-\$1,919	-3%
Income Before Other Revenues, Expenses, Gains, and Losses	\$2,773	\$2,757	\$4,115	\$3,120	-\$994	-24%
Capital Appropriations	\$4,925	\$6,477	\$2,475	\$14,200	\$11,725	474%
Capital Grants and Contracts	\$0	\$0			\$0	
University Related Transactions	\$0	\$0			\$0	
Disposal of Plant Facilities	-\$2,360	-\$1,157	(\$1,491)	-\$1,448	\$43	-3%
Other Additions/Deductions	-\$4,402	-\$2,479	(\$2,524)	-\$2,524	\$0	0%
Total Other Revenues, Expenses, Gains & Losses	-\$1,837	\$2,841	(\$1,540)	\$10,229	\$11,768	-764%
Total Increase in Net Assets	\$936	\$5,598	\$2,575	\$13,349	\$10,774	418%
NET ASSETS						
Net Assets at Beginning of Year	\$48,597	\$49,533	\$55,131	\$57,706	\$2,575	5%
Net Assets at End of Year	\$49,533	\$55,131	\$57,706	\$71,055	\$13,349	23%

Table 2
University of Massachusetts
Dartmouth Campus
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$85,772	\$86,564	\$83,528	\$89,667	\$6,139	7.3%
Employee Fringe Benefits	\$30,699	\$22,891	\$23,221	\$31,343	\$8,122	35.0%
Student Aid	\$10,313	\$10,220	\$7,653	\$8,275	\$622	8.1%
Utilities	\$8,803	\$8,918	\$10,465	\$10,465	\$0	0.0%
Supplies and Other Services	\$41,284	\$42,986	\$61,109	\$50,892	(\$10,217)	-16.7%
Depreciation	\$11,966	\$12,201	\$12,302	\$12,852	\$550	4.5%
TOTAL	\$188,837	\$183,780	\$198,278	\$203,494	\$5,216	2.6%

Table 3
University of Massachusetts
Dartmouth Campus
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty	355.4	360.6	370.1	370.1	0.0	0.0%
Professional Staff	219.9	238.5	232.5	233.5	1.0	0.4%
Classified Staff	261.6	274.2	255.6	255.6	(0.0)	0.0%
Subtotal, State Funded	836.9	873.3	858.2	859.2	1.0	0.1%
NON-STATE FUNDED POSITIONS						
Faculty	100.5	101.5	68.5	90.1	21.6	31.5%
Professional Staff	92.2	83.8	85.0	108.0	23.0	27.0%
Classified Staff	100.3	102.3	99.4	102.4	3.1	3.1%
Subtotal, Non-State Funded	293.0	287.6	252.9	300.5	47.6	18.8%
Total Unrestricted/Designated	1,129.9	1,160.9	1,111.1	1,159.7	48.6	4.4%
RESTRICTED FUNDS						
GRANT FUNDED POSITIONS						
Faculty	1.9	2.7	5.8	5.8	(0.0)	-0.7%
Professional Staff	48.4	32.9	40.1	40.1	(0.0)	0.0%
Classified Staff	2.2	3.0	3.5	3.5	(0.0)	-0.8%
Subtotal, Grant Funded	52.5	38.6	49.5	49.4	(0.1)	-0.2%
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	52.5	38.6	49.5	49.4	(0.1)	-0.2%
TOTAL UNRESTRICTED AND RESTRICTED	1,182.4	1,199.5	1,160.5	1,209.1	48.6	4.2%

* 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 2011 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

	UNDERGRADUATE		GRADUATE		TOTAL	
	HC	FTE	HC	FTE	HC	FTE
Fall 2010 projected	7,832	7,124	1,598	1,137	9,430	8,261
Fall 2009	7,982	7,260	1,320	899	9,302	8,159
Fall 2008	7,982	7,214	1,173	776	9,155	7,990
Fall 2007	7,927	7,064	1,153	788	9,080	7,852

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

LOWELL CAMPUS



**UNIVERSITY OF MASSACHUSETTS LOWELL
FY 2011 OPERATING BUDGET NARRATIVE**

Overview

The Fiscal Year 2011 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 2011.

The document considers the FY2009 actual Financial Statements, the preliminary results for FY2010 and the projected outcome for FY2011 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 is completing the first phase of the strategic planning effort. UMass Lowell 2020 will serve as the University's next generation strategic plan, providing a blueprint for how the campus will achieve national and international recognition as a world-class institution over the next decade. Almost 200 faculty, staff, and students have been assessing the University's current academic, research, partnership, fiscal and facilities status and drafting strategies to improve the campus's achievement, reputation and rankings as expressed in the following ways:

- Strengthen undergraduate education through the enhancing of experiential and interdisciplinary learning, learning through discovery, and further development of the Honors program.
- Continue to increase retention and graduation rates. Work to increase enrollment of transfer students through improved services and through enhanced articulation (maintain freshman enrollment but work to increase selectivity). Increase undergraduate enrollment through emphasis on student success (continuation rate is projected to increase in fall 2010 by 6.5%).
- Strengthen graduate education through enhanced marketing and recruitment of existing Master's and Doctoral programs and through marketing of the newly developed Professional Science Programs (PSM). Strengthen existing collaborative efforts with UMass institutions. Work to increase fee-paying Master's students through aggressive recruitment regionally, nationally and internationally with emphasis on the new 13 PSM programs.
- Strengthen scholarship and research and enhance extramural funding from all sources including grants and contracts and fundraising.

- Strengthen partnerships with the urban community through collaborative work on societal challenges and through enhancing economic development.
- Strengthen partnerships with business and industry, building on UMass Lowell's hallmark in innovation.
- Continue to develop strong partnerships with strategic international institutions, with emphasis on in-depth experiences for students and opportunities for joint/dual academic programs and collaboration in research and development. Recruit aggressively nationally and internationally (non-resident students are projected to increase; international students are similarly projected to increase for the first year students and through the UMass Lowell NAVITAS International Center).
- Enhance cultural and ethnic diversity among students, faculty, and academic leadership.
- Continue to systematically assess viability and effectiveness of all academic programs with an overarching goal of achieving effective deployment of faculty effort (e.g., reorganization of RESD).

An external advisory committee, made up of alumni and local community leaders has been engaged in the strategic plan.

Consistent with the goals of the strategic plan, UMass Lowell appointed a Financial Planning and Budget Review Committee to increase transparency; open up how the campus makes short and long term operating and capital budgeting decisions; and help to empower managers while increasing the accountability and responsibility over the management of university resources. The Committee has conducted its FY2011 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 FY2011 will depend considerably on the final outcome of the state budget.

FY2010 Review

The campus made progress on many of the Committee's FY2010 recommendations including reorganizations of the Information Technology, Facilities, business services and athletic units as well as expansion of the international student and scholar services program and a new international recruitment partnership with Navitas.

A significant development in FY2010 was the impact of state budget cuts and the receipt of federal stimulus funds. UMASS Lowell was allocated a total of \$22.66 million in ARRA funding in FY2010. Initially the campus received \$16.49 million for general operations and \$1.34 million to support the costs of the TURI line item that had been rolled into the University's maintenance appropriation. The University made an additional \$4.83 million of ARRA funding available to the campus to offset the October 9C cut to the campus state appropriation allocation.

The ARRA funds were not expected to last more than a fiscal year and therefore the campus made the decision to focus the use of these funds on one-time investments that would advance the strategic plan. Operationally, UMASS Lowell used the actual ARRA funds to support salary and fringe benefit costs of campus employees and has targeted the campus funds freed up by the federal stimulus monies on one-time projects that will not place additional pressures on the operating budget. Projects that are being funded are those that will improve the overall quality of academic programs and enhance the entire student learning and living experience, such as:

FY 2011 University Operating Budget – T10-034

- 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.

In addition to these investment activities, the University continued to make progress in the following areas:

Student Success:

- UMass Lowell's six-year graduation rate has increased in the last two years from 44 percent in 2007 to 52.6 percent in 2009. UMass Lowell graduated the largest number of students in its history in June 2009. More than 2,000 degrees were awarded.
- One-year retention among freshmen is up six percent from 75 percent in Fall 2007 to 81 percent in Fall 2009.
- The four-year continuation rate increased from 63.7 percent to 69.1 percent in the last two years. Success with transfer students is also solid – a 78 percent one-year continuation rate and a 70 percent four-year graduation rate.

The progress on these indicators of student success can be attributed to deliberate steps and investments that the campus has made including:

- Establishing learning communities that group freshmen with similar majors or interests together in core classes that bring them into direct contact with professors in their departments (something that otherwise might not happen until junior year);
- Seminars for first-year students designed to teach them how to translate their high-school learning skills into college success and build life skills to ease the adjustment of being on their own for the first time;
- Creating programs like “calculus camps” that meet over school breaks to help freshmen who are having difficulty in math tackle one of their toughest subjects and allow them to take the next step in their studies;
- Maintaining small class sizes, with no more than 50 students per section;
- Increasing the amount of university housing – more than 700 new beds have been added in two years, including the purchase of a downtown hotel that has the added benefit of a positive economic impact on the community – to allow more students to live on campus and as national studies have shown, improve their chances for success.

Growing Enrollment:

- UMass Lowell is improving student success while increasing enrollment by freshmen and transfers.
- This fall, UMass Lowell welcomed the biggest group of incoming students ever – a total of 2,457 students. Over the last two years, the campus has experienced a 24 percent increase in new students.
- Graduate enrollment has also increased. There is a 10 percent increase in combined doctoral and master’s degree enrollments.
- Overall student enrollment across all classes has increased more than 20 percent in the last two years.
- Diversity is also increasing on campus. Over the past two years, there has been a 54 percent increase in new students who identify themselves as students of color.
- UMass Lowell is increasing enrollment while maintaining small class sizes, which are important to student success. The university has maintained a 14-to-1 student to faculty ratio.

Increased Residential Life Opportunities and Population:

- More students than ever before are living on campus, an important factor because national research has found that residential students are more successful academically.
- This year, 2,900 students are living in university housing, an increase of 13 percent over last year. More than 700 new beds have been added in the last two years, including the beds added with the purchase of the UMass Lowell Inn and Conference Center in 2009.

Growing the University:

- UMass Lowell has targeted \$750,000 in stimulus-backed funding to installing new “smart classrooms,” bringing the total to more than 150 technology enhanced classrooms. With the completion of this work, Lowell will have 100 percent smart classrooms on campus. The smart classrooms will allow faculty to use all available media – the Internet, collaboration tools, audio and video – to explain complex topics to students.
- UMass Lowell has made two important acquisitions this academic year that both help the university meet the needs and expectations of our students but also play a critical role in the community. The university acquired the former DoubleTree Hotel located in downtown Lowell and converted it to a mix of housing for 400 students and event and conference space. Now known as the UMass Lowell Inn and Conference Center, the building brings our students directly into the vibrant downtown of Lowell.

Major physical improvements to the building were made immediately after the acquisition was finalized and more will be required in the coming year to maximize the use and benefit to the entire University community and the city. The total acquisition and renovation costs for the ICC are \$25 million including the \$21 million borrowed through UMBA.

This acquisition is another example of how UMass Lowell is enhancing life for students, who are increasingly choosing university housing for the optimum living and learning experience. The quality of campus life is another key to student success.

- The university recently finalized the purchase of the Tsongas Arena. Now called the Tsongas Center at UMass Lowell, the facility was purchased from the city of Lowell. The university was able

to acquire the facility, recently valued at \$24 million, for \$1 and adjacent property for development for \$800,000.

- UMass Lowell will break ground in June on the Emerging Technologies and Innovation Center, the first new academic building on campus in 30 years. The new \$70 million state of the art facility will be home to cutting-edge research being conducted at the university, including nanotechnology and nanomanufacturing. Nano researchers work on critical defense projects, such as developing sensors that will help troops in the field detect the presence of biological weapons, and with private companies that want to apply the power of nanotechnology to their operations. This project is funded by state and UMBA funds.
- The campus will also break ground on the South Campus academic building in the fall. This \$40 million building will house nursing, psychology and criminal justice programs. The state is funding and managing this project.

Growing International Presence:

- UMass Lowell is creating virtual centers around the world, including in Ireland and Israel, through new partnerships. The University is working with universities in both nations, creating the new Center for Irish Partnerships and the Center for Middle East Peace, Development and Culture.

These partnerships have already resulted in an international Emerging Technologies Conference being held at UMass Lowell and plans are underway for a new degree program in peace and conflict studies.

- In addition, the campus has signed cooperative agreements with Queens University in Belfast and the University of Haifa in Israel.
- Earlier this year the University signed an affiliation agreement with Navitas to create a center that will aggressively recruit international undergraduate and graduate students. This partnership will be coordinated with the expanding International Student and Scholars Office and Corporate and Continuing Studies.

Resource Management:

- Early in the fiscal year, the campus designated \$2 million of FY2009 unrestricted fund balance as quasi-endowment, greatly increasing the University's performance in this area while also maintaining the flexibility that a quasi-endowment reserve offers.¹
- The administration and finance area has been significantly reorganized in the past eighteen months with new executive leadership in facilities and master planning, public safety, information technology and business and financial services. The research administration and commercial ventures operation is also being reorganized to better support this strategic growth area, maintain compliance levels and maximize the benefits of the ETIC facility when it comes on line. These administrative areas have been under-resourced and under-managed in the past. The new leadership team is charged with developing unit plans, organizational structures, policies and practices that will support the UMass Lowell 2020 strategic plan.
- The administration has identified more than twenty efficiency projects that will be completed over the next eighteen months that are aimed at improving the delivery of administrative and information technology services. Many of these projects are being funded from ARRA-backed

¹ In addition to designating \$2 million from operations as quasi-endowment, the campus transferred \$3 million of quasi-endowment held on campus to the Foundation.

resources and include: a document imaging project (coordinated with the system office); expanding HR self-service functionality; developing a space inventory system to support the indirect cost recovery rate and a rational deployment of teaching, research and support space.

- In October of 2009, the University borrowed \$79 million through UMBA to finance construction of the ETIC, the purchase and renovation of the Inn & Conference Center (ICC), renovation and renewal of campus residential life facilities, the renovation of the Tsongas Center and the initiation of a comprehensive energy efficiency capital improvement program. These funds are added to the \$42.5 million of funds already borrowed through earlier bond issues in 2006 and 2008.

The campus will spend approximately \$15 million this calendar year (FY10 and FY11) from UMBA funds and ARRA-backed sources on deferred maintenance, site and landscape improvement, energy and space renovation projects. In addition, ETIC, improvements to the Tsongas Center and ICC, and renovations to the Wannalancit facility for the M2D2 program will begin this year. All of these projects are UMBA managed and funded.

- Rigorous attention to academic program planning will continue to focus on achieving the vision of national and international recognition as a world class institution set by the Chancellor. The Provost is using the following criteria by which program expansion, reorganization and reallocation proposals are reviewed: numbers of majors served, annual graduates produced, associated credit hours taught, research and scholarly productivity, and service productivity.

FY2010 Financial Results:

The University is projecting a \$14.4 million operating surplus for FY2010 or a 5.4% operating margin. More than \$9.3 million of the operating margin is campus designated ARRA-backed spending for one-time projects and initiatives that will extend into FY2011. In addition, enrollment levels exceeded initial budget projections providing additional surplus. The FY2009 operating margin was 2.7% by comparison.

FY 2011 Budget Assumptions

Revenues

For planning purposes, the University of Massachusetts Lowell budget assumes a state appropriation allocation consistent with the guidelines. This level of state support is more than last year's final state funds allocation, however, the University anticipates a significant reduction in ARRA funding in FY2011. The combined loss of state and ARRA funds is projected to be more than 9% or \$7.8 million.

Consistent with the guidelines, the campus is projecting a \$7.5 million allocation of ARRA funds will be targeted primarily towards one-time strategic investments consistent with the campus approach in FY2010. The campus also expects to fully expend the funds that carry over from FY2010 on the projects supported by the campus funds made available through allocation of ARRA funds last year.

The Lowell campus anticipates a six percent increase in full-time equivalent undergraduate and graduate enrollment for Fall 2010. This enrollment growth, the growth in Continuing Studies and Corporate Education (CSCE) programs will result in an estimated 6% increase in tuition and fee revenues. As previously noted, these increases will be offset by increased financial aid spending to maintain the University's commitment to affordability. The enrollment growth and campus efforts to expand the residential experience for students are projected to generate a 2% increase in revenues

from Residential Housing and Food Services. Grant and contract revenue from all sources is projected to increase by 8% over FY2010.

Expenditures

Projected cost increases anticipated for FY2011 include \$1.5 million increase in debt interest payments; energy and utility costs of more than \$0.3 million; and \$9.0 million in fringe benefit costs. The campus also projects increased spending for facility renewal through the one-time use of federal stimulus funds. This is an area that is in need of serious attention for UMass Lowell to be able to move forward with its strategic plan.

The campus has identified 21 additional new faculty and up to 40 non-tenured track faculty hires to meet enrollment growth and program needs. Staffing levels are also proposed to increase as vacancies have occurred in recent years. The campus needs to staff up areas of critical importance to the strategic plan (e.g. research administration, student services, business enterprises, and advancement). Finally, in addition to these targeted increases the campus projects modest inflationary increases in other areas consistent with the system guidelines.

The overall result of the changes in revenues and expenses is projected to be a 0.5% operating margin of \$1.5 million for FY2011.

Should the University's final FY2010 and FY2011 budget outcome prove more favorable, the campus will continue the practice of reviewing and targeting surpluses toward much need facility improvements, quasi-endowment growth and other strategic investments to enhance the growth and development of the student experience and effectiveness of our world-class faculty.

Summary

The University of Massachusetts Lowell has embarked on an exciting plan to grow enrollment, construct new academic/research buildings, expand research activity, develop a comprehensive energy management program and engage all segments of the campus in a comprehensive strategic planning effort. Over the past couple of years, the campus has made great progress in achieving financial sustainability by reestablishing adequate financial reserves while reallocating increased funds toward academic quality and student success initiatives. We still face significant financial challenges in improving our facilities and increasing our faculty and staffing levels to that of our peer institutions of similar size and complexity. These challenges are difficult but not insurmountable. The campus will continue to take the actions necessary to maintain a positive annual financial outcome.

FY 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
Lowell Campus
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2011 Operating Budget Statement
(in thousands of dollars)

			FY2011 BUDGETED			
	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual/Adjusted Basis*	FY11 Budget-Accrual Basis	FY10 to FY11 Change	
REVENUES						
Operating Revenues						
Tuition and Fees	\$92,395	\$105,446	\$126,595	\$134,620	\$8,025	6%
Scholarship allowance	(\$14,152)	(\$17,029)	(\$28,624)	(\$27,438)	\$1,186	-4%
Tuition and Fees (net of scholarship allowances)	\$78,243	\$88,417	\$97,971	\$107,182	\$9,211	9%
Federal Grants and Contracts	\$23,352	\$24,674	\$29,338	\$31,618	\$2,280	8%
State Grants and Contracts	\$4,879	\$5,385	\$5,263	\$5,672	\$409	8%
Local Grants and Contracts	\$342	\$471	\$310	\$334	\$24	8%
Private Grants and Contracts	\$12,444	\$13,083	\$10,850	\$11,693	\$843	8%
Sales & Service, Educational	\$905	\$1,244	\$1,110	\$1,166	\$56	5%
Auxiliary Enterprises	\$10,557	\$13,256	\$26,019	\$26,430	\$411	2%
Other Operating Revenues:						
Sales & Service, Independent Operations						
Sales & Service, Public Service Activities						
Other	\$3,691	\$4,235	\$4,529	\$4,755	\$226	5%
Total Operating Revenues	\$134,413	\$150,765	\$175,390	\$188,850	\$13,460	8%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	\$81,001	\$78,606	\$81,957	\$89,825	\$7,868	10%
Research	\$32,961	\$35,171	\$35,871	\$40,242	\$4,371	12%
Public Service	\$3,856	\$3,174	\$3,236	\$3,513	\$277	9%
Academic Support	\$20,831	\$19,026	\$20,197	\$21,533	\$1,336	7%
Student Services	\$15,854	\$15,457	\$15,866	\$16,807	\$941	6%
Institutional Support	\$28,912	\$30,071	\$31,366	\$32,669	\$1,303	4%
Operation and Maintenance of Plant	\$19,739	\$17,767	\$20,669	\$23,131	\$2,462	12%
Depreciation and Amortization	\$14,206	\$14,771	\$16,395	\$18,153	\$1,758	11%
Scholarships and Fellowships	\$4,091	\$4,480	\$5,279	\$5,740	\$461	9%
Auxiliary Enterprises	\$6,104	\$8,756	\$15,143	\$15,980	\$837	6%
Other Expenditures						
Independent Operations						
Public Service Activities						
Total Operating Expenses	\$227,555	\$227,279	\$245,979	\$267,593	\$21,614	9%
Operating Income/(Loss)	(\$93,142)	(\$76,514)	(\$70,589)	(\$78,743)	(\$8,154)	12%
NONOPERATING REVENUES/(EXPENSES)						
Federal Appropriations	\$0	\$0			\$0	
State Appropriations	\$97,490	\$82,032	\$64,244	\$75,599	\$11,355	18%
Gifts	\$3,778	\$3,245	\$1,808	\$1,982	\$174	10%
Investment Return	\$1,762	(\$120)	\$447	\$860	\$413	92%
Endowment Return	\$699	\$646	\$394	\$636	\$242	61%
Interest on Indebtedness	(\$2,403)	(\$3,194)	(\$5,159)	(\$6,702)	(\$1,543)	30%
Other Nonoperating Income	\$319	\$217	\$391	\$410	\$19	5%
Revenue from Stimulus Funds			\$22,667	\$7,447	(\$15,220)	-67%
Net Nonoperating Revenues	\$101,645	\$82,826	\$84,792	\$80,232	(\$4,560)	-5%
Income Before Other Revenues, Expenses, Gains, and Losses	\$8,503	\$6,312	\$14,203	\$1,489	(\$12,714)	-90%
Capital Appropriations	\$7,023	\$9,971	\$2,000	\$20,000	\$18,000	900%
Capital Gifts, Grants and Contracts		\$0	\$14,800	\$850	(\$13,950)	-94%
University Related Transactions	\$0	\$0			\$0	
Disposal of Plant Facilities	(\$1,466)	(\$1,040)	(\$1,411)	(\$1,386)	\$25	-2%
Other Additions/Deductions	\$332	(\$313)	(\$692)	(\$50)	\$642	-93%
Total Other Revenues, Expenses, Gains & Losses	\$5,889	\$8,618	\$14,697	\$19,414	\$4,717	32%
Total Increase in Net Assets	\$14,392	\$14,930	\$28,900	\$20,903	(\$7,997)	-28%
NET ASSETS						
Net Assets at Beginning of Year	\$98,886	\$113,278	\$128,208	\$157,108	\$28,900	23%
Net Assets at End of Year	\$113,278	\$128,208	\$157,108	\$178,011	\$20,903	13%

Table 2
University of Massachusetts
Lowell Campus
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$119,213	\$120,820	\$123,394	\$130,430	\$7,036	5.7%
Employee Fringe Benefits	\$37,329	\$24,144	\$26,786	\$35,845	\$9,059	33.8%
Student Aid	\$4,091	\$4,480	\$5,279	\$5,740	\$461	8.7%
Utilities	\$8,356	\$7,908	\$9,143	\$9,509	\$366	4.0%
Supplies and Other Services	\$44,360	\$55,156	\$64,982	\$67,916	\$2,934	4.5%
Depreciation	\$14,206	\$14,771	\$16,395	\$18,153	\$1,758	10.7%
TOTAL	\$227,555	\$227,279	\$245,979	\$267,593	\$21,614	8.8%

FY 2011 University Operating Budget – T10-034

Table 3
University of Massachusetts
Lowell Campus
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty	435.0	434.0	431.0	452.0	21.0	4.9%
Professional Staff	372.2	373.0	362.8	372.8	10.0	2.8%
Classified Staff	151.5	150.3	170.0	184.0	14.0	8.2%
Subtotal, State Funded	958.7	957.3	963.8	1,008.8	45.0	4.7%
NON-STATE FUNDED POSITIONS						
Faculty	6.2	6.0	7.0	7.0	0.0	0.0%
Professional Staff	62.9	54.0	57.0	58.5	1.5	2.6%
Classified Staff	36.0	29.0	20.0	19.0	(1.0)	-5.0%
Subtotal, Non-State Funded	105.1	89.0	84.0	84.5	0.5	0.6%
Total Unrestricted/Designated	1,063.8	1,046.3	1,047.8	1,093.3	45.5	4.3%
RESTRICTED FUNDS						
GRANT FUNDED POSITIONS						
Faculty	7.5	7.0	9.0	9.0	0.0	0.0%
Professional Staff	111.4	124.1	116.0	102.4	(13.6)	-11.7%
Classified Staff	0.0	0.0	0.0	0.0	0.0	0.0%
Subtotal, Grant Funded	118.9	131.1	125.0	111.4	(13.6)	-10.9%
OTHER RESTRICTED POSITIONS (TURI)						
Faculty	0.3	0.0	0.0	0.0	0.0	0.0%
Professional Staff	19.5	12.5	11.7	11.0	(0.7)	-6.0%
Classified Staff	2.5	3.0	0.0	0.0	0.0	0.0%
Subtotal, Other Restricted Funds	22.3	15.5	11.7	11.0	(0.7)	-6.0%
Total Restricted	141.2	146.6	136.7	122.4	(14.3)	-10.5%
TOTAL UNRESTRICTED AND RESTRICTED	1,205.0	1,192.9	1,184.5	1,215.7	31.2	2.6%

* 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 2011 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

	UNDERGRADUATE		GRADUATE		TOTAL	
	HC	FTE	HC	FTE	HC	FTE
Fall 2010 projected	11,328	9,099	3,118	1,941	14,446	11,040
Fall 2009	10,548	8,472	3,054	1,901	13,602	10,373
Fall 2008	9,706	7,659	2,765	1,755	12,471	9,414
Fall 2007	8,879	6,883	2,756	1,736	11,635	8,619

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

MEDICAL SCHOOL



**UNIVERSITY OF MASSACHUSETTS WORCESTER
FY 2011 OPERATING BUDGET NARRATIVE**

Overview

The FY 2011 operating budget for the University of Massachusetts Medical School (UMMS) reflects a deep commitment to campus and University strategic priorities: investment in the curriculum and the student learning environment; continued growth in a vibrant research enterprise, key projects to improve infrastructure; and the achievement of important milestones in the campus strategic plan. By focusing on mission-based priorities that advance health and well-being through pioneering accomplishments in education, research and health care delivery, UMMS is creating a promising new environment for the next generation of health sciences professionals in the classroom, at the research bench, and at the bedside around Massachusetts and around the world.

The Medical School's 6,800 employees generate more than \$1 billion in revenue and make major contributions to communities throughout the Commonwealth and around the globe. While our economic, intellectual and public service impact in central Massachusetts is unparalleled, UMMS continues to expand its reach in new areas – a central tenet of our commitment to global impact.

FY2011 will also see increased opportunities for UMMS to impact in new ways the work of UMass Memorial Health Care and its clinical affiliates. UMass Memorial is a non-profit integrated clinical system created in April 1998 by the merger of the UMass clinical system and Memorial Health Care. UMass Memorial's \$2.3 billion health care delivery system will be a key partner in FY2011 and beyond as new shared facilities and programs come online.

In July, the new Ambulatory Care Center (previously referred to as the ACCES building) will open on the Worcester campus, home to four prominent clinical centers of excellence devoted to cancer, musculoskeletal disease, diabetes and heart and vascular disease, along with an innovative Clinical Research Center, advanced imaging and a shared strategy to maximize the academic and clinical research opportunities presented by state of the art space.

Since accepting its first class in 1970, the School of Medicine has provided medical students with medical education of the highest quality, preparing them to excel as physicians who are caring, competent, productive and self-fulfilled in their chosen career serving a diversity of patients, communities and the health sciences. Two important developments are taking place right now, with the implementation of a comprehensively-redesigned curriculum and the significant increase in class size to 125 students per class.

True to the core mission, UMMS continues to emphasize preparation of students for careers in the primary care specialties, and the School of Medicine has garnered a national reputation for its primary care program. U.S.News & World Report consistently ranks UMMS among the top of the nation's 131 medical schools for primary care education – 9th in this current year (2010). UMMS students in the class of 2010 will go on to prestigious training programs at some of the nation's best academic medical centers – including our own, where 19 of the current class will continue on in residency programs at UMass Memorial. Nearly half of the current class is entering primary care residency programs.

UMMS initiated its biomedical sciences PhD program in 1979 to train scientists and educators to conduct research on human diseases and to serve as faculty members in the medical sciences. Since that time, the Graduate School of Biomedical Sciences (GSBS) has grown increasingly prominent as a training ground for future biomedical scientists, including an MD/PhD program that attracts highly-qualified applicants from across the US. Led by a dynamic faculty who are world leaders in emerging

fields of research such as RNA biology, epigenetics and gene therapy, the GSBS was ranked among the top 50 graduate programs in the biological sciences in the United States in the current U.S. News survey. New programs in advanced therapeutics, quantitative health sciences and clinical investigation form the basis for a major impact in life sciences research.

In 1986, complementing the School of Medicine and Graduate School of Biomedical Sciences, UMMS established the Graduate School of Nursing (GSN) to meet the demand for highly qualified professionals to serve in all areas of patient care and to promote nursing leadership in education, practice and research. The GSN graduates more nurse practitioners for the Commonwealth than any other institution, and established the first nurse educator program in Massachusetts.

In 2008, the GSN introduced the Doctorate of Nursing Practice program, in response to the increasing complexity of health care and shortages of both primary care physicians and advanced practice nurses. With approval by the University of Massachusetts Board of Trustees, the GSN joined nursing schools across the nation in creating this new program to prepare nurse practitioners for nursing leadership roles in contemporary interdisciplinary health care teams. The first four graduates of this program will receive their degrees in June 2010.

All of these cornerstone programs – education in all three schools and the research enterprise – will benefit handsomely when the Albert Sherman Center (ASC) comes online in 2012: in addition to research space for more than 100 faculty in both traditional basic science “wet” labs and the “dry” lab space associated with programs in areas such as bioinformatics, the ASC will be the home for learning communities that make real the changes in curriculum and practice that contemporary education in the life sciences entails. Construction on the ASC has begun under the auspices of the UMass Building Authority.

In FY 2011, Commonwealth Medicine, the health care consulting division of UMMS, will continue its groundbreaking work with government agencies, nonprofits, and managed care organizations to advance health care policy, quality, and research. As the shape of national health care reform begins to emerge, the unparalleled depth of expertise within Commonwealth Medicine will continue to contribute to innovative solutions to today’s most pressing health care issues.

The University and the commonwealth continue to benefit from the world-renowned expertise of the faculty and staff at the Massachusetts Biologic Laboratories – “MassBiologics” --- the only publicly owned, non-profit FDA-licensed manufacturer of vaccines and biologic products in the United States. The operations of MassBiologics were transferred from the Department of Public Health to UMMS in 1997 in order to maintain the focus on improving public health through applied research, development and manufacturing of biologic products. MassBiologics has licensed vaccines to prevent pertussis, tetanus, diphtheria and other diseases and currently supplies 20 percent of the country’s Td vaccine. Currently, laboratory scientists have pioneered a number of biologics and monoclonal antibodies to respond to emerging public health threats such as SARS, rabies, and C. difficile, and new agreements for licensing of recent discoveries and distribution of manufactured vaccines represent MassBiologics’ continued prominent role in global health.

When UMMS created its comprehensive Strategic Plan in 2008, the goals identified by faculty and campus leadership grew organically out of a strong commitment to grow the campus mission over the next five years. By challenging the campus to design the future model of health care delivery; build a workforce of the future; design an ideal learning environment; translate discovery into practice; become a high performance/high reliability organization; and have a significant impact in the world, UMMS reaffirmed its commitment to make the thoughtful choices and key investments necessary to approach these goals. The current operating budget reflects both the challenges of the current environment and the continued enthusiasm for these goals.

FY 2011 University Operating Budget – T10-034

Unquestionably, the FY 2011 budget will be significantly impacted by conditions in the broader economy. State appropriated funds are expected to see further declines with the end of the American Recovery and Reinvestment Act (ARRA) funding that offset much of the reduction in the maintenance appropriation in Fiscal 2010. Grant revenues are projected to be flat relative to 2010, as the NIH budget lags inflation and ARRA funded projects wind down. On a more positive note, the plan does provide for continued funding of the major ongoing initiatives of the Worcester Campus, including the construction of the Albert Sherman Center (ASC), as well as the recruitment of key faculty positions, although at a slower pace, to support the Advanced Therapeutics Cluster and critical faculty needs in existing programs.

The FY2010 operating budget is projected to support current operations and investments at a 'break even' level, compared to a previously projected increase of \$43.3 million. There are three primary drivers that make up over 90% of this variance as compared to plan; and, two are matters of timing rather than performance.

First, the 2010 plan included \$26.7 million in royalty revenue for the C. difficile antibody developed at MassBiologics, but which was received before the end of FY 2009. This was partially offset by about \$3 million in other royalty and manufacturing revenue. Secondly, the 2010 plan included \$20 million in capital appropriation revenue, part of the \$90 million commitment from the Commonwealth's Life Sciences Initiative to the construction of the ASC. In the revised and final agreement for the appropriation of the funds, only \$9 million will be disbursed in 2010, resulting in an \$11 million shortfall to budget. (The entire \$90 million will be funded.)

The remaining major variance was a net decrease to projected revenues. The 2010 plan included \$20 million in federal capital funding for matching grants for construction of the ASC which is expected to be received. Offsetting these losses are increases in budgeted interest and investment income. The 2010 plan anticipated very little interest and investment income: based on actual performance to date, we are projecting \$10 million in additional revenue. Effective management and resource maximization efforts have created anticipated expense savings beyond those in the 2010 plan of an additional \$2 million to the bottom line. The net result is a \$42.9 million shortfall to the original FY2010 budget.

The operating budget for FY2011 projects a net surplus of \$2.7 million on total revenues of \$1.068 billion and expenses of \$1.091 billion, plus capital appropriations of \$26.5 million. In general, FY2011 looks very similar to the projection for 2010. Most sources of revenue are expected to be level from 2010 with a few exceptions, and overall expenses will be held flat to stay within the available revenues.

There are several notable revenue changes from FY2010 to FY2011. Importantly, independent operations revenue will increase by \$27 million, due primarily to the planned receipt of licensing revenue for the MassBiologics C diff. antibody and a new distribution agreement for tetanus vaccine will result in increased revenues as well. However, these revenue increases will be offset by a \$27.3 million decrease in revenue from public service activities. \$11.2 million of this decrease is expected in the Medical Education Service Agreement (MESA) payment from UMass Memorial Health Care, based on the predicted timing of payments from UMass Memorial with the remaining decrease due to the anticipation of a reduction in Commonwealth Medicine's contract to provide healthcare services for the Massachusetts Department of Correction, albeit with a corresponding decline in public service expenses. Other Commonwealth Medicine programs are projected to grow at a modest inflationary rate, but they could be subject to wider fluctuations with decreases or increases in funding from contracts with the commonwealth and other states. Generally, these changes in revenue also result in corresponding changes in the expense of services provided, and thus have little impact on the net margin for the campus.

FY 2011 University Operating Budget – T10-034

Based on the latest assessment, UMMS expects to see a reduction of \$2.2 million in combined state appropriation and ARRA funds in 2011. While most of the reduction in state appropriated funds in FY2010 was compensated for with ARRA funds, those funds will run out in 2011, while there is only a modest increase anticipated in the state appropriation. Investment income is projected to decline slightly in 2011. While the investment return rates are expected to continue to improve, lower cash balances resulting from the continuing significant capital expenditures by UMMS will result in about \$3 million less income in 2011.

Capital appropriations will increase \$14.6 million, to \$26.5 million, based on the payment schedule for the \$90 million commitment from the Commonwealth's Life Sciences Initiative toward the construction of the ASC. Overall grant revenue is projected to be unchanged in 2011, with the exception of state contracts, which are budgeted to decline slightly due to the limited funding available to some of the state agencies served by the Campus. In general, most other areas of revenue are expected to be at FY2010 levels.

Expenses in 2011 will be held level with 2010. A number of actions have been taken over the last two years to control and reduce spending, and the impact of those activities will be carried into 2011.

Planned expense increases for FY2011 include the Ambulatory Care Center (ACC) and the MassBiologics research and office facility both coming online, with correspondent increases in operation and maintenance of plant, depreciation and operations expenses. Public service expenses show a significant decline as a result of the anticipated reduction in the Department of Correction contract noted above. Interest on indebtedness increases \$3.5 million in FY2011 for the bond issues associated with new building construction.

The plan for 2011 also includes \$15 million in additional contributions to the retirement plan due to the loss in market value of retirement reserves. Fiscal 2010 reflected a similar additional amount, so this will not result in an increase in expenses in 2011. The net result is a budget for FY2011 that is essentially flat but, with strict control over expenditure increases and planned reductions, one that will result in a \$2.7 million surplus.

The largest drivers in the financial forecast for UMMS continue to be initiatives to expand the physical plant to accommodate the success of the research and educational enterprises and the consequent development of new programs connected closely to our mission.

The recruitment of new faculty continues, although at a greatly reduced pace. The limited availability of funds, combined with space restrictions until the ASC is complete, will limit the net increase in new faculty for the next several years. In addition to the Sherman Center construction, the budget also reflects investments in equipment, capital projects and deferred maintenance of \$31.8 million in 2011. This includes the renovation of older lab and other academic spaces in the existing Medical School building, deferred maintenance and new and replacement equipment. \$10.5 million of the funding for these projects is anticipated to come from state deferred maintenance support, with the remainder from campus funds.

Summary

The FY2011 budget for UMMS is a realistic projection of our strategic priorities and our enthusiastic embrace of the University's role as the academic, research, intellectual and economic capital of the commonwealth. Building on our rich heritage of success in education, research, service and our key role in creating tomorrow's health sciences leaders, we continue on a course that enhances our intellectual and physical infrastructure, serves the commonwealth and the world outside its borders in meaningful ways, and creates an environment of achievement and success as the health sciences campus of a great public university.

FY 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
Medical School
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2011 Operating Budget Statement
(in thousands of dollars)

	FY2011 BUDGETED					
	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual/Adjusted Basis*	FY11 Budget-Accrual Basis	FY10 to FY11 Change	
REVENUES						
Operating Revenues						
Tuition and Fees	\$8,900	\$9,774	\$14,848	\$15,049	\$201	1%
Scholarship allowance	-\$2,362	-\$2,622	-\$3,960	-\$3,995	-\$35	1%
Tuition and Fees (net of scholarship allowances)	\$6,538	\$7,152	\$10,888	\$11,054	\$166	2%
Federal Grants and Contracts	\$136,537	\$134,966	\$174,655	\$174,577	-\$78	0%
State Grants and Contracts	\$37,665	\$42,619	\$43,456	\$38,921	-\$4,535	-10%
Local Grants and Contracts	\$0	\$0	\$0	\$0	\$0	
Private Grants and Contracts	\$42,190	\$46,183	\$46,745	\$48,330	\$1,585	3%
Sales & Service, Educational	\$9,243	\$8,578	\$9,774	\$10,680	\$906	9%
Auxiliary Enterprises	\$32,952	\$31,631	\$31,791	\$34,141	\$2,350	7%
Other Operating Revenues:						
Sales & Service, Independent Operations	\$65,588	\$94,908	\$41,207	\$61,298	\$20,091	49%
Sales & Service, Public Service Activities	\$363,041	\$507,096	\$596,633	\$569,326	-\$27,307	-5%
Other	\$33,615	\$41,473	\$50,973	\$57,921	\$6,948	14%
Total Operating Revenues	\$727,369	\$914,606	\$1,006,122	\$1,006,248	\$126	0%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	\$45,374	\$44,128	\$50,165	\$51,636	\$1,471	3%
Research	\$164,378	\$178,074	\$210,192	\$212,636	\$2,444	1%
Public Service	\$33,893	\$34,030	\$37,777	\$38,036	\$259	1%
Academic Support	\$12,096	\$12,785	\$11,292	\$11,685	\$393	3%
Student Services	\$3,683	\$3,859	\$3,808	\$3,921	\$113	3%
Institutional Support	\$39,836	\$41,831	\$48,802	\$50,383	\$1,581	3%
Operation and Maintenance of Plant	\$45,740	\$45,081	\$51,882	\$54,738	\$2,856	6%
Depreciation and Amortization	\$34,960	\$35,853	\$41,658	\$47,786	\$6,128	15%
Scholarships and Fellowships	\$0	\$0	\$198	\$199	\$1	1%
Auxiliary Enterprises	\$24,421	\$27,102	\$25,724	\$25,901	\$177	1%
Other Expenditures						
Independent Operations	\$49,562	\$56,057	\$59,767	\$65,509	\$5,742	10%
Public Service Activities	\$307,827	\$455,574	\$536,656	\$515,012	-\$21,644	-4%
Total Operating Expenses	\$761,770	\$934,374	\$1,077,921	\$1,077,442	-\$479	0%
Operating Income/(Loss)	-\$34,401	-\$19,768	-\$71,799	-\$71,194	\$605	-1%
NONOPERATING REVENUES/(EXPENSES)						
Federal Appropriations	\$0	\$0	\$0	\$0	\$0	
State Appropriations	\$49,668	\$42,694	\$32,574	\$37,111	\$4,537	14%
Gifts	\$3,814	\$6,739	\$12,500	\$8,000	-\$4,500	-36%
Investment Return	\$9,762	-\$8,902	\$12,875	\$9,996	-\$2,879	-22%
Endowment Return	\$1,893	\$2,562	\$2,818	\$3,079	\$261	9%
Interest on Indebtedness	-\$14,579	-\$15,490	-\$10,881	-\$14,442	-\$3,561	33%
Other Nonoperating Income	\$2,231	\$1,115	\$105	\$105	\$0	0%
Revenue from Stimulus Funds*			\$10,295	\$3,577	-\$6,718	-65%
Net Nonoperating Revenues	\$52,789	\$28,718	\$60,286	\$47,426	-\$12,860	-21%
Income Before Other Revenues, Expenses, Gains, and Losses	\$18,388	\$8,950	-\$11,513	-\$23,768	-\$12,255	106%
Capital Appropriations	\$1,570	\$3,374	\$11,900	\$26,500	\$14,600	123%
Capital Grants and Contracts	\$0	\$0	\$0	\$0	\$0	
University Related Transactions	\$0	\$0	\$0	\$0	\$0	
Disposal of Plant Facilities	-\$1,054	-\$2,491	\$0	\$0	\$0	
Other Additions/Deductions	\$2,404	\$3,721	\$0	\$0	\$0	
Total Other Revenues, Expenses, Gains & Losses	\$2,920	\$4,604	\$11,900	\$26,500	\$14,600	123%
Total Increase in Net Assets	\$21,308	\$13,554	\$387	\$2,732	\$2,345	606%
NET ASSETS						
Net Assets at Beginning of Year	\$556,904	\$578,212	\$591,766	\$592,153	\$387	0%
Net Assets at End of Year	\$578,212	\$591,766	\$592,153	\$594,885	\$2,732	0%

* 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 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$313,042	\$350,669	\$377,333	\$373,180	(\$4,153)	-1.1%
Employee Fringe Benefits	\$79,190	\$82,397	\$103,673	\$102,697	(\$976)	-0.9%
Student Aid	\$281	\$208	\$250	\$275	\$25	10.0%
Utilities	\$16,877	\$16,763	\$15,925	\$20,786	\$4,861	30.5%
Supplies and Other Services	\$317,420	\$448,484	\$539,082	\$532,718	(\$6,364)	-1.2%
Depreciation	\$34,960	\$35,853	\$41,658	\$47,786	\$6,128	14.7%
TOTAL	\$761,770	\$934,374	\$1,077,921	\$1,077,442	(\$479)	0.0%

Table 3
University of Massachusetts
Medical School
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty	70.5	70.2	70.1	63.0	(7.1)	-10.1%
Professional Staff	269.8	265.1	252.1	225.0	(27.1)	-10.7%
Classified Staff	153.7	126.7	145.9	130.0	(15.9)	-10.9%
Subtotal, State Funded	494.0	462.0	468.1	418.0	(50.1)	-10.7%
NON-STATE FUNDED POSITIONS						
Faculty	207.9	205.4	215.4	208.0	(7.4)	-3.4%
Professional Staff	1,245.9	1,272.1	1,290.3	1,249.0	(41.3)	-3.2%
Classified Staff	1,063.5	1,087.0	1,048.1	1,017.0	(31.1)	-3.0%
Subtotal, Non-State Funded	2,517.3	2,564.5	2,553.8	2,474.0	(79.8)	-3.1%
Total Unrestricted/Designated	3,011.3	3,026.5	3,021.9	2,892.0	(129.9)	-4.3%
RESTRICTED FUNDS						
GRANT FUNDED POSITIONS						
Faculty	272.5	270.5	270.0	270.0	0.0	0.0%
Professional Staff	658.0	669.8	721.5	722.0	0.5	0.1%
Classified Staff	160.2	170.3	178.1	178.0	(0.1)	-0.1%
Subtotal, Grant Funded	1,090.7	1,110.6	1,169.6	1,170.0	0.4	0.0%
OTHER RESTRICTED POSITIONS						
Faculty	0.0	3.7	5.4	6.0	0.6	11.1%
Professional Staff	0.0	14.0	15.9	17.0	1.1	6.9%
Classified Staff	0.0	1.8	3.5	4.0	0.5	14.3%
Subtotal, Other Restricted Funds	0.0	19.5	24.8	27.0	2.2	8.9%
Total Restricted	1,090.7	1,130.1	1,194.4	1,197.0	2.6	0.2%
TOTAL UNRESTRICTED AND RESTRICTED	4,102.0	4,156.6	4,216.3	4,089.0	(127.3)	-3.0%

* 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 2011 Operating Budget Statement
HEADCOUNT AND FTE ENROLLMENT

	Graduate		Med Students		TOTAL	
	HC	FTE	HC	FTE	HC	FTE
Fall 2010 projected	628	659	494	494	1,122	1,153
Fall 2009*	622	651	469	469	1,091	1,120
Fall 2008*	580	573	445	445	1,025	1,018
Fall 2007*	578	588	435	435	1,013	1,023

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

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



University System Office FY 2011 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, Financial Aid Directors, Research Vice Provosts, 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 intercampus 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.

Advancement and Strategic Communication

The Advancement and 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 and Technology

Starting in FY09, the Office of Management and Fiscal Affairs merged with University Information Technology Services under the Senior Vice President for Administration, Finance and Technology. The merger reflects the overlapping service missions of the respective areas and enables improved service and cost efficiencies. Areas included in this newly formed office are University Controller, Treasurer, University Budget Director, Human Resources, including Labor Relations, University Information Technology Services, and the University Procurement Office. The services are physically located in Shrewsbury. The Senior Vice President works with the campus Chancellors and Vice Chancellors for Administration and 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 and 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 will continue. The department works with members of the University community and various state agencies to manage a \$2.9 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 Senior 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 34 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

The President's Office Purchasing Director manages the purchase of goods, services, and public bidding for all departments of the University system office. The Director represents the President's Office to the University Purchasing Council of Campus Purchasing Directors and informs the Senior Vice President of Administration, Finance and Technology of the Council's initiatives and recommendations for purchasing policy effectiveness. The Purchasing Director provides University-wide spending reports and analysis as requested by the University Trustees, University President, and Vice Presidents.

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.

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. 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.

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.

Currently, the University offers close to 90 online degree and certificate programs and more than 1,500 courses per year. In addition, the University now offers 10 blended programs, i.e., programs that mix online content with some traditional on-campus classes. These – and the many other programs that are being developed – include undergraduate degree completion, graduate study, specialty certification, non-degree enrichment and support for the K-12 system and are in disciplines including liberal arts, education, management, nursing, engineering, criminal justice, professional programs and information technology.

FY 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
University System Office
(Office of the President, UITS, UMDI, UMassOnline and operations of UMass Building Authority)
Fiscal Year 2011 Operating Budget Statement
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
(in thousands of dollars)

	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual/Adjusted Basis	FY2011 Budgeted		
				FY11 Budget-Accrual Basis	FY10 to FY11 Change	
REVENUES						
Operating Revenues						
Tuition and Fees (net of scholarship allowances)	\$4,020	\$5,759	\$5,525	\$5,912	\$387	7%
Federal Grants and Contracts	\$4,127	\$3,317	\$3,286	\$3,548	\$263	8%
State Grants and Contracts	\$2,785	\$2,752	\$1,841	\$1,602	-\$239	-13%
Local Grants and Contracts	\$341	\$191	\$135	\$139	\$4	3%
Private Grants and Contracts	\$3,157	\$3,878	\$4,083	\$4,410	\$327	8%
Sales & Service, Educational Auxiliary Enterprises	\$1,574	\$1,505	\$1,734	\$1,769	\$35	2%
Recovery of Indirect Costs	\$0	\$0	\$0	\$0	\$0	
Allocation from Campuses	\$42,060	\$42,149	\$50,882	\$52,408	\$1,526	3%
Other Operating Revenues:	\$0	\$0	\$0	\$0	\$0	
Sales & Service, Independent Operations	\$0	\$0	\$0	\$0	\$0	
Sales & Service, Public Service Activities	\$0	\$0	\$0	\$0	\$0	
Other	\$3,592	\$6,998	\$5,484	\$4,976	-\$508	0%
Total Operating Revenues	\$61,656	\$66,549	\$72,971	\$74,764	\$1,794	2%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	\$12,685	\$13,058	\$11,318	\$13,072	\$1,754	15%
Research	\$1,926	\$2,638	\$2,593	\$2,995	\$402	15%
Public Service	\$1,965	\$1,746	\$1,384	\$1,599	\$215	15%
Academic Support	\$0	\$0	\$0	\$0	\$0	0%
Student Services	\$0	\$0	\$0	\$0	\$0	
Institutional Support	\$47,183	\$45,258	\$49,149	\$51,308	\$2,159	4%
Operation and Maintenance of Plant	\$3,635	\$3,516	\$5,506	\$5,671	\$165	0%
Depreciation and Amortization	\$5,118	\$6,589	\$6,479	\$6,608	\$130	2%
Scholarships and Fellowships	\$0	\$0	\$0	\$0	\$0	
Auxiliary Enterprises						
Other Expenditures						
Independent Operations	\$0	\$0	\$0	\$0	\$0	
Public Service Activities	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenses	\$72,512	\$72,805	\$76,428	\$81,252	\$4,824	6%
Operating Income/(Loss)	-\$10,856	-\$6,256	-\$3,458	-\$6,488	-\$3,030	88%
NONOPERATING REVENUES/(EXPENSES)						
Federal Appropriations	\$0	\$0	\$0	\$0	\$0	
State Appropriations	\$8,386	\$8,001	\$5,200	\$5,720	\$520	10%
Gifts	\$0	\$0	\$0	\$0	\$0	
Investment Return	-\$9,108	\$3,331	\$1,207	\$1,327	\$121	10%
Endowment Return	\$605	\$266	\$266	\$293	\$26	
Interest on Indebtedness	-\$334	-\$424	-\$626	-\$626	\$0	0%
Interest Income	\$0	\$0	\$0	\$0	\$0	
Other Nonoperating Income	\$7,397	\$3,741	\$3,694	\$3,878	\$185	5%
Revenue from Stimulus Funds*	\$0	\$0	\$0	\$200	\$200	0%
Net Nonoperating Revenues	\$6,946	\$14,915	\$9,740	\$10,592	\$852	9%
Income Before Other Revenues, Expenses, Gains, and Losses	-\$3,910	\$8,659	\$6,282	\$4,104	-\$2,178	-35%
Capital Appropriations						
Capital Grants and Contracts	\$0	\$0	\$0	\$0	\$0	
University Related Transactions	\$0	\$0	\$0	\$0	\$0	
Disposal of Plant Facilities	-\$1	-\$1	\$0	\$0	\$0	0%
Expended for Plant	\$0	\$0	\$0	\$0	\$0	0%
Other Additions/Deductions	-\$11,734	-\$4,289	\$6,193	-\$807	-\$7,000	-113%
Transfers	\$0	\$0	\$29	\$0	-\$29	0%
Total Other Revenues, Expenses, Gains & Losses	-\$11,735	-\$4,290	\$6,222	-\$807	-\$7,029	-113%
Total Increase in Net Assets**	-\$15,645	\$4,369	\$12,504	\$3,297	-\$9,207	-74%
NET ASSETS						
Net Assets at Beginning of Year	\$71,668	\$56,023	\$60,392	\$72,896	\$12,504	21%
Net Assets at End of Year	\$56,023	\$60,392	\$72,896	\$76,193	\$3,297	5%

* On the audited financial statements, federal stimulus funding will be equal to \$10.3 million with an equivalent net reduction in other revenue sources.

** Inclusion of central operational services provided by the Building Authority are now being reported in the System Office budget. The impact of this reporting change increases the System Office's Return on Net Assets by \$7 million in FY10 and \$5 million in FY11.

Table 2
University of Massachusetts
University System Office
(Office of the President, UITS, UMDI, UMassOnline)
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY09 - 10	FY09 - 10
Salaries and Wages	\$31,893	\$29,874	\$31,027	\$31,486	\$459	1.5%
Employee Fringe Benefits	\$9,407	\$7,614	\$7,948	\$9,471	\$1,523	19.2%
Student Aid	\$0	\$0	\$0	\$0	\$0	0.0%
Utilities	\$3,763	\$3,044	\$3,071	\$3,428	\$357	11.6%
Supplies and Other Services	\$22,331	\$25,684	\$27,903	\$29,635	\$1,732	6.2%
Depreciation	\$5,118	\$6,589	\$6,479	\$7,232	\$753	11.6%
TOTAL	\$72,512	\$72,805	\$76,429	\$81,252	\$4,824	6.3%

FY 2011 University Operating Budget – T10-034

Table 3
University of Massachusetts
University System Office
(Office of the President, UITS, UMDI, UMassOnline)
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS					
STATE FUNDED POSITIONS					
Faculty	0.0	0.0	0.0	0.0	0.0%
Professional Staff	216.1	192.1	195.0	2.9	1.3%
Classified Staff	13.0	10.0	10.0	0.0	0.0%
Subtotal, State Funded	229.1	202.1	205.0	2.9	1.3%
NON-STATE FUNDED POSITIONS					
Faculty	0.0	0.0	0.0	0.0	0.0%
Professional Staff	65.0	105.2	102.3	(2.9)	-4.5%
Classified Staff	2.2	2.1	2.4	0.3	0.0%
Subtotal, Non-State Funded	67.2	107.3	104.7	(2.6)	-3.9%
Total Unrestricted/Designated	296.3	309.4	309.7	0.3	0.1%
RESTRICTED FUNDS					
GRANT FUNDED POSITIONS					
Faculty	0.0	0.0	0.0	0.0	0.0%
Professional Staff	82.7	61.4	64.9	3.5	0.0%
Classified Staff	4.8	4.8	5.5	0.7	0.0%
Subtotal, Grant Funded	87.5	66.2	70.4	4.2	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	87.5	66.2	70.4	4.2	0.0%
TOTAL UNRESTRICTED AND RESTRICTED	383.8	375.6	380.1	4.5	1.2%

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

Fall 2009 - November 1 Census Information

FY11 Projection - Current Payroll plus 5 professional positions under state funding

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

UNIVERSITY INFORMATION TECHNOLOGY SERVICES



**UNIVERSITY OF MASSACHUSETTS
UNIVERSITY INFORMATION TECHNOLOGY SERVICES
FY 2011 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 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, 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 2011 University Operating Budget – T10-034

Table 1
University of Massachusetts
Information Technology Services
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Fiscal Year 2011 Operating Budget Statement
(in thousands of dollars)

	FY08 Actuals	FY09 Actuals	FY10 Projected Budget-Accrual/Adjusted Basis*	FY2011 BUDGETED		
				FY11 Budget-Accrual Basis	FY10 to FY11 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	\$1,676	\$2,554	\$2,366	\$2,366	\$0	
Sales & Service, Public Service Activities						
Other						
Total Operating Revenues	\$30,246	\$32,122	\$31,234	\$36,830	\$5,597	18%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction						
Research						
Public Service						
Academic Support						
Student Services						
Institutional Support	\$28,086	\$31,681	\$31,167	\$36,830	\$5,663	18%
Operation and Maintenance of Plant						
Depreciation and Amortization						
Scholarships and Fellowships						
Auxiliary Enterprises						
Other Expenditures						
Independent Operations	\$1,941	\$1,491	\$2,377	\$2,457	\$80	3%
Public Service Activities						
Total Operating Expenses	\$30,027	\$33,171	\$33,544	\$39,287	\$5,743	17%
Operating Income/(Loss)	\$1,894	\$1,505	\$56	-\$91	-\$147	-264%
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	\$0	
Income Before Other Revenues, Expenses, Gains, and Losses	\$1,894	\$1,505	\$56	-\$91	-\$147	-264%
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	\$0	
Total Increase in Net Assets	\$1,894	\$1,505	\$56	-\$91	-\$147	-264%
NET ASSETS						
Net Assets at Beginning of Year	\$3,732	\$5,626	\$7,132	\$7,187	\$56	1%
Net Assets at End of Year	\$5,626	\$7,132	\$7,187	\$7,096	-\$91	-1%

Table 2
University of Massachusetts
Information Technology Services
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$12,765	\$14,147	\$13,528	\$15,501	\$1,973	14.6%
Employee Fringe Benefits	\$1,131	\$1,093	\$1,194	\$1,464	\$270	22.6%
Student Aid	\$0	\$0	\$0	\$0	\$0	
Utilities	\$0	\$0	\$0	\$0	\$0	
Supplies and Other Services	\$16,131	\$17,931	\$18,822	\$22,323	\$3,501	18.6%
Depreciation	\$0	\$0	\$0	\$0	\$0	
TOTAL	\$30,027	\$33,171	\$33,544	\$39,287	\$5,743	17.1%

Table 3
University of Massachusetts
Information Technology Services
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009- 10	% Change Fall 2009- 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty	0.0	0.0	0.0	0.0	0.0	
Professional Staff	113.0	116.0	87.0	106.0	19.0	21.8%
Classified Staff	12.0	12.0	10.0	10.0	0.0	0.0%
Subtotal, State Funded	125.0	128.0	97.0	116.0	19.0	19.6%
NON-STATE FUNDED POSITIONS						
Faculty	0.0	0.0	0.0	0.0	0.0	
Professional Staff	37.0	38.0	55.0	62.0	7.0	12.7%
Classified Staff	0.0	0.0	0.0	0.0	0.0	
Subtotal, Non-State Funded	37.0	38.0	55.0	62.0	7.0	12.7%
Total Unrestricted/Designated	162.0	166.0	152.0	178.0	26.0	17.1%
RESTRICTED FUNDS						
GRANT FUNDED 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, Grant Funded	0.0	0.0	0.0	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 Fu	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	162.0	166.0	152.0	178.0	26.0	17.1%

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

DRAFT

OPERATING BUDGET

for Fiscal Year 2011

**UNIVERSITY OF MASSACHUSETTS DONAHUE INSTITUTE
OF GOVERNMENTAL SERVICES**



**UNIVERSITY OF MASSACHUSETTS DONAHUE INSTITUTE
FY 2011 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 FY10 was \$12,994,177. These monies are derived from the following sources: grants and contracts (including overhead) \$12,140,658, Office of the President Projects, \$291,658; and State Appropriation, \$561,954. For FY10, the Institute generated \$21.60 in grant and contract funds for every \$1 in state appropriation, a 42.4% increase from the previous year. In addition during FY10, system-wide projects supported by the Institute totaled \$403,314.

The Institute is organized into seven business units identified below, plus manages special projects on behalf of the President.

ORGANIZATIONAL STRUCTURE, SYSTEM COLLABORATION, AND ACHIEVEMENTS

1. Applied Social Science Research and Evaluation Unit

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 education research and the provision of services. Higher Education clients include UMass Amherst, UMass Medical School, the UMass Lowell College of Engineering and College of Arts and Sciences, UMass Dartmouth's James J. Kaput Center, Springfield Technical Community College, Worcester Polytechnic Institute, Landmark College, and the State University of New York, Geneseo. Also provide services to the Mass. Department of Elementary and Secondary Education, Mass. Department of Higher Education, New Hampshire Department of Education, Great Schools Partnership (Maine), Education Development Center, Nellie Mae Education Foundation, the Boston Plan for Excellence, Hampshire Educational Collaborative, Massachusetts NASA Space Consortium, and numerous individual school districts. The unit also provides research services in the fields of health and human services and economic development, including projects with the Mass. Department of Public Health, National Cancer Institute, United Way of Massachusetts Bay, Mass Housing, Seven Hills Foundation, Gandara Mental Health Center, River Valley Counseling Center, Inc., and John Adams Innovation Institute.

- At the request of the National Cancer Institute (NCI), the Applied Social Science Research and Evaluation Unit developed a proposal to provide technical assistance to NCI's National Quality Assurance Program (NQAP) and Cancer Information Service (CIS). CIS provides information to the public through call centers managed by NCI contractors in 3 regional offices. Jen Gordon and Eric Heller were invited to participate on a national advisory board convened by the American Institutes for Research on behalf of the US Department of Education. The panel, which will include state directors and evaluators of model Reading First programs, will provide input to help strengthen and guide future national, state, and local evaluations of federally-funded large-scale reading initiatives.

FY 2011 University Operating Budget – T10-034

- Eric Heller, the Unit's Director, was invited to serve as a Senior Research Scientist on the Executive Board of UMass Dartmouth's Kaput Center and, as well, serve as member of the center's Advisory Board. The Research and Evaluation Group has been supporting the work of the Kaput Center for the past 3 years as evaluator of a grant from the US Department of Education and with the development of other funding proposals. As the center continues to grow, Eric's advisory work will likely be primarily focused in the area of education policy.
- The Massachusetts Department of Elementary and Secondary Education (ESE) requested the unit provide a variety of evaluation and support services to the different organizational components of its targeted assistance center. For the newly launched system of regional District and School Assistance Centers (DSAC), the unit conducted a formative evaluation to provide feedback during the system's early startup phase, and collaborated with ESE with the development of a system of performance metrics and data collection design. The Unit also conducted a retrospective evaluation of the work in recent years of the Urban and Commissioner's District Assistance unit (UDA), through interviews with leaders of urban districts that have received support in the past few years. Also, it developed a diagnostic tool to be used to assess the degree and nature of support that struggling schools believe they receive from their districts. This administrator survey will be used as part of the assessment process conducted to support Level 4 schools across the state.
- The Unit collaborated on another successful NSF application from SUNY Geneseo (New York), for a 2-year Math Science Partnership Start grant. Prof. Kurt Fletcher of the physics department will be leading this project designed to investigate ways to encourage middle and high school girls to study physics and geological science. Power of Physical Science (POPS) will focus on a hands-on, middle school enrichment curriculum that emphasizes the role that physics and geology play in solving societal problems, specifically in addressing future energy needs in an environmentally responsible way. The Unit was approached to serve as evaluator on this proposal as a result of our ongoing involvement with a similarly funded MSP Start grant at Springfield Technical Community College.
- The Unit recently completed a 2.5 year evaluation of MassHousing's Tenancy Preservation Program (TPP). TPP is an effort designed to prevent the destabilizing effects of eviction and the impact of housing instability and homelessness for an extremely vulnerable population—those with disabilities. A collaborative effort of MassHousing, Massachusetts Housing Court, regional service providers, and state agencies within the Executive Office of Housing and Economic Development, the Executive Office of Health and Human Services, and the Executive Office of Elder Affairs, TPP aims to preserve tenancy among individuals and families at imminent risk of eviction for whom the grounds for eviction are directly related to a disability.
- The Unit's evaluation report on the Research Experience for Undergraduates (REU) summer program of the Center for High-rate nano-manufacturing at UMass Lowell, UNH, and Northeastern University was featured in a poster and presentation at the Materials Research Society annual conference.
- Through a competitive bid process, the Unit was selected by the Massachusetts Department of Elementary and Secondary Education (ESE) to conduct the evaluation of the ARRA-funded Technology Competitive Grant Program. Our researchers will be evaluating the work of 28 district-based projects designed to integrate technology, and provide professional development and follow up support to promote tiered instruction, technology literacy, and/or English proficiency among students.

- The Unit assisted faculty in the UMass Amherst College of Engineering and at Worcester Polytechnic Institute with the development of evaluation designs for their proposals to NSF under the Integrative Graduate Education and Research Traineeship Program.

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, has played a leadership role in providing education and training resources to residents in the Brockton region. CareerWorks has 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. In addition, CareerWorks continues 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.

- The Director of CareerWorks, Kim McLaughlin, attended and participated in a "Listening Session" on the Reauthorization of the Workforce Investment Act (WIA). This event, held at Merrimack College in Andover, was hosted by Congressman John Tierney and Jane Oates, the Assistant Secretary for the Employment and Training Administration at the United States Department of Labor. Ms. McLaughlin said, "Massachusetts was a pioneer in the One-Stop Career Center initiative back in the mid 1990's. Massachusetts' Career Centers, such as CareerWorks in Brockton, continue to be models for the rest of the country on how to truly integrate services through a One-Stop design."
- CareerWorks provided vouchers to area residents for free on-line computer training and certification exams through Elevate America, a new public-private partnership announced by Governor Patrick between Microsoft Corp. and the Commonwealth. Elevate America is part of Microsoft's overall Unlimited Potential efforts to provide technology training for at least two million people across the country over the next three years. Microsoft has made one million vouchers available for technology training and certification in 15 states, including: California, Colorado, Georgia, Illinois, Iowa, Kentucky, Maryland, Michigan, Mississippi, Missouri, New York, North Carolina, Virginia, Washington, and now Massachusetts.
- CareerWorks began a new initiative, funded through the America's Recovery and Reinvestment Act (ARRA) that allowed it to provide support services to clients who attended training and searched for employment. This new program, Mission Employment, is a 12 hour program conducted over a two week period. The vision of Mission Employment is "to equip job seekers with essential tools to find employment".
- CareerWorks hosted a forum on a new state law that imposes stringent data security regulations on employers at its downtown Brockton location. The employer service team introduced Jason Eaton, an attorney and Gerry Young, Chief Information Officer from the Executive Office of Consumer Affairs and Business Regulations who explained the new regulations, which went into effect March 1, 2010.
- As part of its continual effort to better serve its customers, CareerWorks welcomed Ms. Fatima Breton, Victim Advocate and Outreach Coordination from the Office of the Attorney General. Ms. Breton presented information on the Victim Compensation and Assistance Division within

the office of the Attorney General, Martha Coakley. This Division is a financial assistance program for victims of violent crimes.

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: In partnership with the Southbridge regional school district, organized and managed the People in Motion Project (PIM). The PIM project is a three year, Department of Education funded effort that focuses on the history of immigration to the United States. In partnership with the University of Massachusetts Political Science Department, the CI is hosting 25 Pakistani students who will live at UMass Amherst for six weeks and take a class on Comparative Public Policy with twenty UMass students. The CI is also managing programs for 25 Iraqi college students, 25 Argentine post-graduates, 15 Indonesian teachers, and 18 multi-national university faculty. In partnership with the Academy for Educational Development, the CI is training higher education advisors throughout Iraq on US admissions procedures and standards. The CI, working with the UMass Amherst Political Science department, recently completed a National Science Foundation study of candidate recruitment in New England. Many of the CI programs are staffed through an internship program that recruits and trains UMass undergrads through a "Civic Initiative Fellowship Program". When combined, these programs make the CI the second largest summer client for UMA conference services.

- The Civic Initiative (CI) managed a two-week, intensive – 8 hours a day – program for 50 western Massachusetts teachers who came to both the Amherst campus of UMass and traveled to Old Deerfield Village and Boston as well in a program funded by the US Department of Education. They worked on materials for teaching the history of immigration and migration in the US.
- CI Hosted 15 Indonesian teachers for a month. The teachers worked on curriculum materials that compare how the US and Indonesia approach religious diversity and freedom of speech. The group also traveled to Boston, New York, Cincinnati, and DC in a program funded by the US State Department.
- CI worked with 24 young Argentines on a month long program designed to enhance their public policy skills and knowledge of US government. This program is funded by the Argentine Fulbright Commission.
- CI managed a program for 24 Iraqi college students on US Government and Public Policy. This program, our first in partnership with the Academy for Educational Development, also took the group to Boston, New York, and DC. The US Embassy in Iraq provides funding for this program.
- The unit continued managing a program for 18 professors from around the world. This program, "American Political Development", lasts six weeks and includes a two-week study tour to Boston, New York, Harrisburg, Charlottesville, and DC. This program is funded by the US State Department.
- The CI unit also conducted a survey and phone bank to collect data for a National Science Foundation project studying why people chose to run, or not run, for public office.

FY 2011 University Operating Budget – T10-034

- Dr. Michael Hannahan, CI's Director, travelled to Argentina for two programs: the first, hosted by the Argentine Fulbright Commission, was a two week seminar on American Politics. The second, hosted by the US State Department, involved talks on campaigns and campaign finance.
- Overall, CI managed 456 separate events in 9 different cities and employed 16 staff – including students and 26 different UMass professors as speakers. During this past summer, CI was the second largest client for UMass Amherst Conference services.

4. **Defense Management Training and Education**

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).

- Despite significant government cost reductions in funding and personnel over the past years, the Defense Finance and Accounting System (DFAS) Financial Management Education and Training (FMET) Program has delivered training to internal and external customers located at up to 36 different locations throughout the US, Europe, and Japan.
- The 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 customers for improved operations. Cumulative student load for all course deliveries throughout the present FMET III contract is 4,519 students.
- Between April 2009 and March 2010, the FMET III Program provided training to DFAS internal and external customers in 18 different locations in the USA, Germany, and Japan. During this same period, the FMET III Program taught 26 different courses to 4,519 students in the three Mission Areas.

5. **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: MassBenchmarks and the Massachusetts State Data Center: providing technical support for the Governor's Council of Economic Advisors and the Population Estimates Research Program for the Secretary of State, and creating and updating four quarterly State of the State reports for the Office of the State Treasurer, which attaches to its bond prospectus. Major research on issues of significance to Massachusetts in FY10 included: An economic impact analysis for the University of Massachusetts system; a study projecting housing and employment growth scenarios in Massachusetts through 2020 for the Massachusetts Housing Partnership organization; an assessment to improve the accuracy of the U.S. census estimates of the Massachusetts population and to assist in preparation for the 2010 decennial census (working in conjunction with the State Secretary's office); an economic impact analysis of the South Shore Hospital, in Weymouth, to estimate the impact and contributions of the operations of Hospital on the Commonwealth of Massachusetts; commencement of a study for the United States Department of Agriculture (USDA) and the Massachusetts Department of Conservation and Recreation (DCR) assessing the economic impact of the Asian Longhorned Beetle infestation in Worcester. Research project with a national focus: a study of the public education system in Hawaii as it impacts military dependents for the Department of Defense Education Activity (DoDEA).

FY 2011 University Operating Budget – T10-034

- The Population Estimates Program (PEP) wrapped up its second program year. During this time period, the PEP updated its Group Quarters Population survey to verify over 260,000 persons living in over 2,500 facilities statewide. The project directly added over 27,000 people to the official group quarters population in Massachusetts, which may translate into approximately \$50 million dollars in federal aid per year. In addition, our project launched a housing unit survey to all cities and towns in Massachusetts, and created alternative estimates for Massachusetts municipalities including Boston, Worcester, and Springfield. In addition, PEP will provide technical assistance to the Secretary of the Commonwealth's Office to ensure a successful 2010 Census count in Massachusetts. Specifically, the primary data is used to collect new block-level estimates in order to identify areas of new growth around the state, and also creates estimates models to locate "hard-to-count" populations and thus inform statewide outreach and education efforts for the 2010 Census.
- The Economic and Public Policy Research Unit's Massachusetts State Data Center's longest running funded project completed its 20th year. The Due Diligence project, funded by the Treasurer of Massachusetts, is a quarterly summary of the state of the State. It is also called Appendix A, referring to its location in any bond prospectus issued by the Commonwealth. This 46 page document contains current data about the State's population, personal income, consumer prices, poverty, employment, economic base and performance and human resources.
- During this fiscal year the EPPR unit began work on a feasibility study for the Department of Defense (DoD) schools for school-age dependents who reside on military installations in the state of Hawaii. The Department of Defense Education Activity (DoDEA) required an outside analysis in assessing the quality and cost of educational services provided by the State of Hawaii and its Local Education Agencies to the children of military personnel located on military installations in Hawaii. As part of the project, at least four other appropriate public school districts, either "contiguous" in location or similar to Hawaii, are required to compare their quality and cost with the services currently being provided by the Hawaii Public School Districts. The comparison states and areas are: Alaska, Washington, California, and one DoDEA Domestic Dependent Elementary and Secondary School (DDESS) District.
- In 2008, a consortium of corporate, industry association, and government leaders formed to discuss the desire to refine the identity of the Massachusetts IT industry and to better understand the substantial contributions the IT sector makes to the Massachusetts economy. The consortium included Verizon Communications, Cisco Systems, AT&T, Comcast, EMC, IBM, Microsoft, the John Adams Innovation Institute and the Commonwealth's Executive Office of Housing and Economic Development. In addition, TechAmerica, the Massachusetts Technology Leadership Council, and MassNetComms contributed to this effort. The consortium asked the University of Massachusetts' Donahue Institute to conduct in-depth research on the IT industry in the state. These leaders hoped an analysis would inform their efforts to maintain and enhance the state's competitive position as a business location for the IT industry and to understand how the Commonwealth compares to other states and nations in terms of key indicators. The industry analysis was produced in 2009 and detailed the economic contributions of the IT industry in Massachusetts and the catalytic role it plays in the Commonwealth's innovation economy.
- The EPPR unit was commissioned to work on the first phase of the Massachusetts Housing Partnership commissioned study of the state's projected housing stock along with Professor Alan Clayton-Matthews, then of UMass and now Northeastern University. They projected the state's number of available housing units in 2016 as well as the number of housing units that will be needed for primary residences, based on expected construction and occupational

growth patterns in the state. These projections provide a measure of the adequacy of the state's housing supply to meet the needs of the population. The results will inform the next phases of the project, being led by researchers at Abt Associates and Northeastern University.

- The EPPR Unit concluded an analysis of the economic impact of South Shore Hospital on the Commonwealth and Norfolk County. South Shore Hospital is located in Weymouth, Massachusetts. EPPR was asked to conduct the analysis by the hospital in order to inform their efforts at communicating their impact on the local community. The final product included the impact of the construction and operating expenditures of the hospital, the impact of the spending of its employees, and tax impacts. The analysis also included a detailed discussion of the importance of the health care industry to the Massachusetts economy.
- The town of Ludlow, MA contacted John Gaviglio, Manager of the University of Massachusetts Donahue Institute (UMDI) State Data Center and a Ludlow resident, to inquire about the UMass Planning department and graduate students in the department. John worked with Becky Loveland, UMDI Research Manager, and graduate of the Master's in Regional Planning who contacted the Landscape Architecture and Regional Planning Master's program. Through Becky and John's efforts, the following program was developed: The UMass Department of Landscape Architecture and Regional Planning studio, directed by Dr. Elisabeth Hamin, Dr. Robert Ryan, and Michael DiPasquale of the Mass Training Collaborative, are working with the Pioneer Valley Planning Commission (PVPC) in completing a comprehensive master plan for the town of Ludlow. The planning team, which includes eight second year planning students, was tasked with providing an analysis of past and current conditions in the town. This part of the project provided PVPC with analysis on land use, housing, and infrastructure (services and facilities, transportation, and Green Communities sections) for incorporation in the final draft of the plan as they pertain to their respective chapters.
- In collaboration with Michael Goodman, Associate Professor at the University of Massachusetts Dartmouth, EPPR continued its work on the Foundation for Growth study for the Massachusetts Housing Partnership. The results of the study confirmed that even through this recession, Massachusetts continues to suffer a housing shortage that contributes to higher housing costs, and that is not likely to improve in the near future without policy intervention. EPPR's work will form the first in a series of Foundation for Growth research results that address the state's housing needs, consequences of greater or lesser housing development, and potential policy directions for the state.
- EPPR staff provided a set of updated figures to the Massachusetts Human Service Provider's Council (MHSPC) to help the MHSPC with upcoming hearings on behalf of social support programs in the Commonwealth. The figures updated findings from the 2006 EPPR "Help Wanted" report and provided data for the Commonwealth as a whole as well as Suffolk County.

6. **Head Start**

Focus: Provide customized technical assistance and training to 90 Head Start and Early Head Start grantee and delegate agencies throughout New England to support high quality programming for low-income families and increase the school readiness of young children.

Key projects and development efforts: Provide Head Start and Early Head Start programs with research-based technical assistance and training around early childhood care and education, supports and services for children with disabilities, health (including mental health), nutrition, working in partnership with families, governance, financial management, and program administration. Key projects include building leadership and management skills and developing

FY 2011 University Operating Budget – T10-034

strong succession plans 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 social and emotional development in children and preventing challenging behavior; 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 requirements and support positive outcomes for children and families.

- Four of UMDI's Head Start staff, Jeanne Burkes, Patty Tripp, Maureen Hickey, and Bess Emanuel, GPSS Program Manager, were invited to present workshops at the New England Head Start Association's Annual Regional Conference in Rockport ME. Topics included working with infants and toddlers under stress, keeping your program nimble in difficult times, dealing with shaken baby syndrome, and I Am Moving, I Am Learning. Several hundred directors, managers and parents from Head Start programs across New England attended the conference.
- The fourth annual Massachusetts Dialogue on Early Education and Care was held at Wheelock College on May 28, 2009. This event, which brought together over 100 early childhood practitioners, state policy makers, and representatives from colleges, community organizations and others focused on an area of current interest for the field. The focus of the Conference was higher education, with the Commissioners of the Departments of Higher Education and Early Education and Care both speaking to the group. Jeanne Burkes, GPS Specialist and Bess Emanuel, GPSS Program Manager, were discussion facilitators for the lively follow-up discussions.
- Maureen McDonald, Anne Hemmer and Gail Petersen, GPS Specialists, attended the national Birth to Three Institute in Washington DC. This conference provided an excellent opportunity for information on best practices in caring for infants and toddlers. Maureen McDonald presented a workshop on early literacy to approximately 200 teachers, directors and home visitors from Head Start and early education programs from across the country.
- Jeanne Burkes, GPS Specialist, presented a workshop on "The Impact of Trauma on Young Children" at the national Young Children without Homes Conference in Boston on June 15th. This hands-on workshop examined the effects of trauma on young children birth through five years old. Participants learned about the signs of stress in children, strategies for working with children experiencing stress, and ideas for supporting parents.
- Ruth-Ann Rasbold, Director of the NH/VT Consortium, Sharon Adams, VT State Manager, Leanne Winchester, NH State Manager, and Bess Emanuel, GPSS Program Manager, attended a four-day national meeting in Washington DC along with their counterparts from across the country to bring together the parts of the new training and technical assistance (TTA) system. Joan Lombardi, Deputy Assistant Secretary and Inter-Departmental Liaison for Early Childhood Development led off the meeting with her vision of the current administration's goals for a comprehensive early childhood system. Office of Head Start staff presented on all content areas, and discussions were held with regional groups to begin to build communication and collaboration across the parts of the new system. Ruth-Ann presented to the whole group on needs assessment, and Bess led a meeting of the GPSS managers from all the regions.

- Programs in New England have benefited from the fact that the Head Start Unit has two nationally-trained trainers for the CLASS instrument (Classroom Assessment Scoring System). Maureen McDonald and Maureen Hickey, GPS Specialists and national CLASS trainers, presented overviews of CLASS and led discussions about the connection to professional development at programs in ME and MA this month. In addition, Shannon Shaw, GPS Specialist for New Hampshire, Vermont and Massachusetts, and Sharon Adams, Vermont State Manager, attended a five-day training in Chicago IL to become certified as trainers for CLASS, the classroom observation instrument which the Office of Head Start has chosen to adopt nationwide as a program quality improvement tool. They will be conducting reliability training for Head Start grantees in New Hampshire and Vermont, and for other TA staff throughout New England.
- Steve Russell, GPS Specialist, and Bess Emanuel, GPSS Program Manager, presented a workshop for parents at the regional conference of the New England Head Start Association in Nashua NH on “Policy Council 101”. Offered twice, to groups of approximately 45 parents, the workshop focused on the roles and responsibilities of policy councils, and included discussion among new and veteran policy council members. The crucial role that policy councils play in shared decision-making is a long-time hallmark of parent involvement in Head Start.

7. **Organizational Development and Training/State Agencies**

Focus: Organizational development, training, management restructuring, online leadership training, future leaders training, conference management and coaching for federal/state/local government and the private sector.

Key projects and development efforts: Continued work with long term clients such as the Department of Mental Retardation and Department of Environmental Protection; Provided conference logistics for the Massachusetts Developmental Disabilities Annual Legislative Reception; Provided Senior Management Retreat to Mass State Ethics Commission; Selected as a preferred Massachusetts State Vendor (PRF43); Developed a six module Online Leadership Excellence Certificate Program in collaboration with UMass Amherst Continuing and Professional Education; Consultation to Mass Department of Elementary and Secondary Education for the roll out of the District and School Assistance Centers; Provided Green Belt Training to Evergreen Solar; Provided conference logistics for sixth annual STEM Summit; Organizational assessment and report for US Department of Agriculture Regional Office; Providing Lean Management consulting to Massachusetts Board of Registration in Medicine; Provided Call Center consulting services to UMass Medical School; Offered workshops to UMass President’s Office staff; Administered federal grants from Administration for Children and Families, Compassion Capital Grant Fund for work with small grassroots nonprofits who deal with at-risk youth in Berkshire and Barnstable County and from Health Resources and Services Administration Health Careers Opportunities Program grant to create pathways for disadvantaged youth to prepare for health careers in the Pioneer Valley; and continued to coordinate and facilitate the Mass Department of Public Health Massachusetts Comprehensive Cancer Prevention and Control Program.

- The Organizational, Development, and Training Unit, in conjunction with UMass Amherst’s Continuing Professional Education (CPE) and UMassOnline have developed an Online Leadership Certificate program. This program is based on the very successful Leadership Training Program ODT has conducted in person for many years.
- The UMass Donahue Institute’s ODT unit conducted a one day professional development course for employees of the UMass President’s Office on leadership training. Some of the courses offered were: Teams: Leadership and Membership; Managing Transitions; How to Get

FY 2011 University Operating Budget – T10-034

Along with Anybody; and, Discover Balance and Meaning. The feedback from the sessions to UITS which sponsored the trainings was extremely positive.

- The UMDI is one of only 25 agencies statewide, and the only higher education Institution, that was awarded pre-approved vendor status on MA Operational Services Division Contract PRF 43 for Training Services. This status enables State Executive Agencies to purchase training services from the UMDI directly, without first going out to bid. The services we will be offering through PRF 43 are: Professional Development Training, Instructional Design and Course Development, and Content Delivery.
- ODT personnel, partnering with members of UMDI's evaluation unit, evaluated the Department of Elementary and Secondary Education's Even Start Program. The team developed eight case studies of people who have completed Even Start Programs in their communities, providing examples of how they benefited from the program.
- ODT was selected to administer the Massachusetts Comprehensive Cancer Prevention and Control Program (MCCPCP) and conducted several gatherings including a Survivorship Workgroup session during the group's annual in-person meeting held at the offices of the American Cancer Society. In addition, there was a review of the group's statewide priorities and an analysis of how those priorities compared to last year's activities.
- Evergreen Solar hired the ODT Unit to deliver six days of Green Belt Training. This Total Quality Management training program was delivered to nine Chinese nationals in the United States to prepare for Evergreen Solar's opening of an office in China.
- ODT received a contract from the Department of Elementary and Secondary Education to provide consultation on the design, partnership, and assistance model for the operations of the District and School Assistance Centers including: identifying outcomes that were intentional and unintentional; making recommendations to adjust program operations to increase desired outcomes and decrease undesired-able outcomes; documenting processes and actions that supported success; build a case for a more streamlined funding mechanism (less layered) to support the regional assistance center; and, target areas for evaluation including qualitative and quantitative approaches.
- ODT continued to manage both Compassion Massachusetts and the Health Care Opportunities Program (HCOP). Compassion Massachusetts provides technical assistance to emerging not for profit organizations in both the Cape Cod and Berkshires area to build capacity as organizations with the goal of helping them improve their operations. HCOP operates in the Pioneer Valley (e.g., Springfield, Holyoke, Greenfield) to assist students who would not normally have access to information about careers in the medical field by learning about the various professions in this growing field and receive both tutoring and mentoring assistance to better prepare them for a career.

Special Projects

While it is increasingly the practice of the Institute to assign projects to specific business units, there are a limited number of special projects that are not part of our core business but offer an administrative connection to important services for the University and the Commonwealth. Two examples of these special projects are the Academy for New Legislators (which occurs every other year) and STEM (Science, Technology, Engineering, and Math) which includes our annual STEM Conference and supporting the data collection for the Governor's STEM Advisory Council; The Institute

FY 2011 University Operating Budget – T10-034

and the Office of the President also receive support from a talented team of professionals and administrative staff in the areas of technology, design, finance, publications, human resources, and development.

The annual STEM Conference in October 2009 drew over 500 people from industry, trade associations, state government, higher education and K-12. This year the STEM Conference will be held on September 28. It will be developed in partnership with the Governor's STEM Advisory Council, the STEM Business Leaders Consortium (lead by the Mass Business Roundtable), and the University of Massachusetts.

UMDI is providing 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.

Lynn Griesemer (UMDI Executive Director) is co-Chair of the Data Subcommittee of the Governor's STEM Advisory Council. Jean Supel, of our Applied Research and Evaluation Unit, is a primary committee member and staff. She has been able to provide significant data to the committee and the six subcommittees regarding STEM benchmarks for Massachusetts.

UMDI will manage The Academy for New Legislators, which will take place in December 2010. This year's class will be the largest ever with an expected turnover of at least 40 state representative and senate legislative seats.

FY 2011 OPERATIONS SUMMARY

The Institute's priorities during FY11 include:

- Continue our support for the President's priorities (e.g., Science and Technology, Life Sciences, Clean Energy, Regional economic development, workforce development, online education and resource development).
- 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 Pipeline, Economic Development, various relationships with state and federal agencies).
- Undertake special projects for the President of the University (e.g., 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 \$21.60 in grant and contract funds for every \$1 in state appropriation. In FY10, 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 to expand credit and non-credit course offerings as well as develop joint proposals for funding special programs.

FY10 STAFFING AND CAMPUS RESOURCES

During FY10, the Institute employed 122 staff with a full-time equivalency of 110, housed at eight locations, including, Boston, Southbridge, Hadley, Brockton, Springfield, Shrewsbury MA, Randolph, Vermont and Manchester, New Hampshire. Core state funding supported four employees full time and 11 employees part time. The remaining Institute staff members are supported through grants and contracts or special project funds. In FY10 alone, 76% of the contracts were federally funded or federal monies passed through the state and 19% were state funded. The balance of our contract funding emanated from local and private sources.

In addition, the Institute utilized the services of 26 faculty spread across the UMass five-campus system and numerous departments that generated for them almost \$104,000 in revenue. In FY10, our various projects involved 29 undergraduate and graduate students from the University, providing them with over \$197,000 in direct 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 FY10, the Donahue Institute administered 136 grants and contracts.

FY 2010 BUDGET REVIEW

The Institute received an appropriation of \$561,954 in general University funding and generated over \$12,140,658 in grant and contract funds during FY10. These grant 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 2011 AND BEYOND

As the Institute looks ahead to FY11 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. Two important areas that will impact our budget for FY11 are the outcome of the competition for Head Start services in New England and the one time impact on our budget of the Edward Kennedy Institute funding that is passing through UMDI. In preparing the FY11 budget we did not assume the continued funding for Head Start but have every expectation that it will be renewed in FY11. We hope to continue to strengthen the organization and manage complex projects and initiate new ventures, including multi-campus projects consistent with the University's goals.

FY 2011 University Operating Budget – T10-034

Table 1
 University of Massachusetts
Donahue Institute
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
 Fiscal Year 2011 Operating Budget Statement
 (in thousands of dollars)

			FY2011 BUDGETED			
	FY08 Actuals	FY09 Actuals	FY10 Projected Budget- Accrual/Adjusted Basis*	FY11 Budget- Accrual Basis	FY10 to FY11 Change	
REVENUES						
Operating Revenues						
Tuition and Fees						
Scholarship allowance						
Tuition and Fees (net of scholarship allowances)						
Federal Grants and Contracts	\$6,883	\$8,037	\$9,286	\$10,000	\$714	8%
State Grants and Contracts	\$2,764	\$2,417	\$2,286	\$2,000	-\$286	-13%
Local Grants and Contracts	\$97	\$133	\$10	\$10	\$0	0%
Private Grants and Contracts	\$1,238	\$631	\$558	\$600	\$42	8%
Sales & Service, Educational Auxiliary Enterprises						
Other Operating Revenues: (fixed price balance transfers)	\$150	\$25	\$80	\$100	\$20	25%
Sales & Service, Independent Operations						
Sales & Service, Public Service Activities						
Other (non-state funds from Pres Office)	\$101	\$38	\$38	\$38	\$0	0%
Total Operating Revenues	\$11,233	\$11,281	\$12,258	\$12,748	\$490	4%
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	\$9,736	\$8,573	\$8,381	\$6,450	-\$1,931	-23%
Research	\$1,319	\$2,142	\$2,336	\$1,800	-\$536	-23%
Public Service	\$1,070	\$1,254	\$2,222	\$5,000	\$2,778	125%
Academic Support						
Student Services						
Institutional Support	\$185	\$360	\$121	\$100	-\$21	-17%
Operation and Maintenance of Plant						
Depreciation and Amortization						
Scholarships and Fellowships						
Auxiliary Enterprises						
Other Expenditures						
Independent Operations						
Public Service Activities						
Total Operating Expenses	\$12,310	\$12,329	\$13,060	\$13,350	\$290	2%
Operating Income/(Loss)	-\$1,077	-\$1,048	-\$802	-\$602	\$200	-25%
NONOPERATING REVENUES/(EXPENSES)						
Federal Appropriations						
State Appropriations	\$1,112	\$1,069	\$816	\$612	-\$204	-25%
Gifts						
Investment Return						
Endowment Return						
Interest on Indebtedness						
Other Nonoperating Income						
Revenue from Stimulus Funds						
Net Nonoperating Revenues	\$1,112	\$1,069	\$816	\$612	-\$204	-25%
Income Before Other Revenues, Expenses, Gains, and Losses	\$35	\$21	\$14	\$10	-\$4	-29%
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	\$0	
Total Increase in Net Assets	\$35	\$21	\$14	\$10	-\$4	-29%
NET ASSETS						
Net Assets at Beginning of Year	\$155	\$190	\$211	\$225	\$14	7%
Net Assets at End of Year	\$190	\$211	\$225	\$235	\$10	4%

FY 2011 University Operating Budget – T10-034

Table 2
University of Massachusetts
Donahue Institute
Fiscal Year 2011 Operating Budget Statement
SPENDING BY TYPE OF EXPENSE (NATURAL CLASSIFICATION)
(in thousands of dollars)

	FY08	FY09	FY10	FY11	\$ Change	% Change
EXPENSE CATEGORY	Actuals	Actuals	Projected	Budgeted	FY10 - 11	FY10- 11
Salaries and Wages	\$7,200	\$7,200	\$7,000	\$5,981	(\$1,019)	-14.6%
Employee Fringe Benefits	\$2,435	\$1,778	\$1,793	\$1,961	\$168	9.4%
Student Aid	\$0	\$0	\$0	\$0	\$0	
Utilities	\$0	\$0	\$0	\$0	\$0	
Supplies and Other Services	\$2,675	\$3,351	\$4,267	\$5,408	\$1,141	26.7%
Depreciation	\$0	\$0	\$0	\$0	\$0	
TOTAL	\$12,310	\$12,329	\$13,060	\$13,350	\$290	2.2%

FY 2011 University Operating Budget – T10-034

Table 3
University of Massachusetts
Donahue Institute
Fiscal Year 2011 Operating Budget Statement
SUMMARY OF FULL-TIME EQUIVALENT (FTE) EMPLOYEES*

	Actual FTEs Fall 2007 (FY2008)	Actual FTEs Fall 2008 (FY2009)	Actual FTEs Fall 2009 (FY2010)	Proj. FTEs Fall 2010 (FY2011)	FTE Change Fall 2009 - 10	% Change Fall 2009 - 10
UNRESTRICTED/DESIGNATED FUNDS						
STATE FUNDED POSITIONS						
Faculty						
Professional Staff	12.7	11.8	8.5	6.5	(2.0)	-23.5%
Classified Staff	0.3	0.0	0.0	0.0	0.0	
Subtotal, State Funded	13.0	11.8	8.5	6.5	(2.0)	-23.5%
NON-STATE FUNDED POSITIONS						
Faculty						
Professional Staff	3.7	3.5	4.5	5.5	1.0	22.2%
Classified Staff	0.3	0.2	0.0	0.0	0.0	
Subtotal, Non-State Funded	4.0	3.7	4.5	5.5	1.0	22.2%
Total Unrestricted/Designated	17.0	15.5	13.0	12.0	(1.0)	-7.7%
RESTRICTED FUNDS						
GRANT FUNDED POSITIONS						
Faculty						
Professional Staff	84.7	82.7	90.0	77.0	(13.0)	-14.4%
Classified Staff	5.3	4.8	7.0	5.0	(2.0)	-28.6%
Subtotal, Grant Funded	90.0	87.5	97.0	82.0	(15.0)	-15.5%
OTHER RESTRICTED POSITIONS						
Faculty						
Professional Staff						
Classified Staff						
Subtotal, Other Restricted Fund	0.0	0.0	0.0	0.0	0.0	
Total Restricted	90.0	87.5	97.0	82.0	(15.0)	-15.5%
TOTAL UNRESTRICTED AND RESTRICTED	107.0	103.0	110.0	94.0	(16.0)	-14.5%

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

APPENDIX A:

FY 2011 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).

The Lowell campus requests the following new statement of trust:

- New Statement of Trust: ***Campus Technology Fee***
 - The Campus Technology Fee will support the technology infrastructure and educational environment to meet the technological demands of the university community.

The Dartmouth campus requests the following new statement of trust:

- New Statement of Trust: ***UMass Law School Dartmouth***
 - The Law School Fund shall function as a separate, distinct fund for the general operations of the Law School. Revenue is derived from student charges for those students enrolled in the Law Program. Expenditures from the Law School fund will be related to specific programs or operations which support the general operations of the Law School. Funds in the Law School fund may be expended for any purpose in support of the operation and activities of the Law School, as authorized by the Chancellor within the guidelines of the University Policy for Management of University Funds.

TABLE 2: FY 2011 STUDENT FEE-BASED BUDGETS

Operation Name: Campus Technology Fee Account Number: 51161
 Executive Area/MBU/Dept: Administration & Finance Fund Type:
 Change or Proposed New: New

STATEMENT OF TRUST

The Campus Technology Fee will support the technology infrastructure and educational environment to meet the technological demands of the university community.

FISCAL YEAR 2011 PROGRAM STATEMENT

This fee would partially fund UML's life cycle replenishment/total cost of ownership model, begin to address unfunded IT budget needs as well as provide a sustainable long range IT budget for the demands and requirements of the expanding student population and facilities. Examples of uses of these funds include but are not limited to: expanding and upgrading student computer labs; making technology more widely available on campus; expanding remote access capability for instruction; and supporting new technology enhancements to strengthen and improve administrative and student services. This fee would be charged to first, second and third year undergraduate students only in FY11. The residential telecommunication fee has been eliminated this year which had supported many of these costs in prior years in the residence halls.

FEE HISTORY

FY 2011 is the first year of this fee. Rates are as follows:

Participant(s) Paying Fee	Fee Type (Optional/Mandatory, One-Time)	Proposed FY 2011 Fee	\$ Change FY 2010 - 11	% Change FY 2010 - 11
Freshmen & Sophomore (1st & 2nd Year undergraduate)		\$100.00		
Junior (3rd year undergraduate)		\$50.00		

FEE INCREASE JUSTIFICATION

See program statement

SUMMARY OF CHANGES

SUMMARY OF FUND BALANCE

N/A

University of Massachusetts
Dartmouth Campus

Revenue-Based Budget
Fiscal Year 2011

<i>CHANGE/PROPOSED NEW STATEMENT OF TRUST</i>

Operation Name: UMass Law School Dartmouth
Executive Area/MBU/Dept: Academic Affairs
Change or Proposed New: New

Account Number:

NEW: PURPOSE STATEMENT FOR TRUST

The Law School Fund shall function as a separate, distinct fund for the general operations of the Law School. Revenue is derived from student charges for those students enrolled in the Law Program. Expenditures from the Law School fund will be related to specific programs or operations which support the general operations of the Law School. Funds in the Law School fund may be expended for any purpose in support of the operation and activities of the Law School, as authorized by the Chancellor within the guidelines of the University Policy for Management of University Funds.

FISCAL YEAR 2011 PROGRAM STATEMENT

The Law School Fund operates to support the Law School's research, education and public service mission. The overall annual revenue and expenses governed by the University Policy for Management of University Funds and are reviewed and approved through the University's annual operating budget process. The Law School Fund will be used to fund expenditures including but not limited to Law Faculty and administrative staff and requisite fringe benefits, library, debt service, operations, financial aid, and other law school expenditures.

FEE HISTORY

N/A

FEE INCREASE JUSTIFICATION

N/A

SUMMARY OF CHANGES

N/A

SUMMARY OF FUND BALANCE

N/A