



## FY18 UNIVERSITY OF MASSACHUSETTS OPERATING BUDGET



**JULY 17, 2017**



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**Executive Summary**

The FY18 Operating budget for the University totals \$3.3 billion, an increase of \$105.6 million or 3.3% over the FY17 year-end projection.

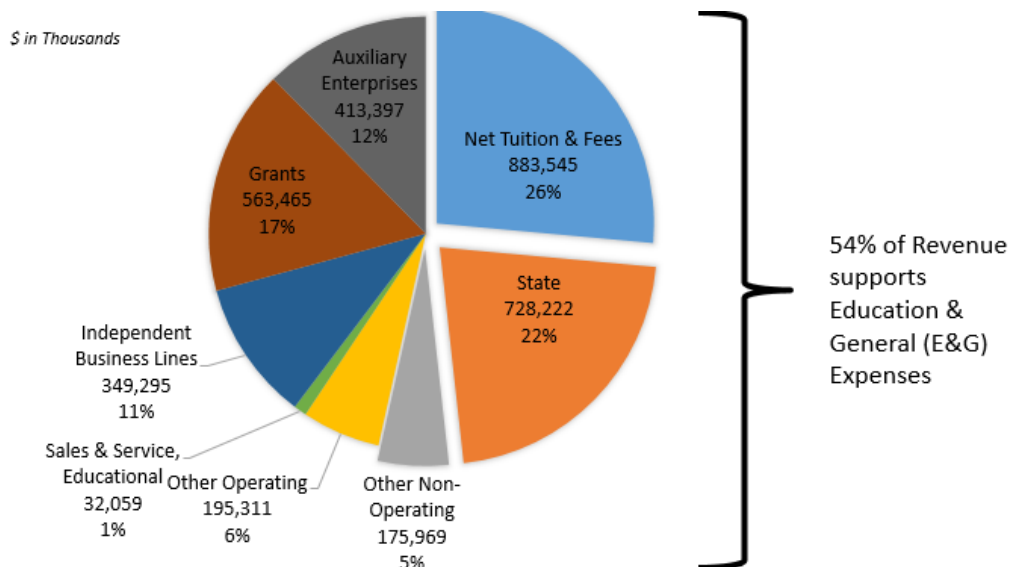
(\$ in Thousands)

**FY2018 BUDGET**

Campus	Total Revenue	Total Expenses	OM\$	OM%
Amherst	1,243,383	1,239,377	4,006	0.3%
Boston	431,135	436,135	(5,000)	-1.2%
Dartmouth	251,717	251,175	542	0.2%
Lowell	456,934	454,350	2,584	0.6%
Medical School	909,991	907,932	2,059	0.2%
Central	116,634	115,358	1,276	1.1%
<b>Total</b>	<b>3,333,968</b>	<b>3,328,501</b>	<b>5,467</b>	<b>0.2%</b>

The budget reflects the unique needs of each of the System’s five campuses and the system level priorities. The budget relies on certain system-wide assumptions regarding State investments, student tuition and capital planning while also accounting for individual campus needs to support enrollment and staff.

Approximately 54% of the budget is for the University’s core education and general operations and is supported primarily from the State appropriation and tuition and fee revenue. The remaining components of the University’s budget are for self-supporting activities such as grants and contracts, sales and services, and auxiliary services. These funds, by their nature, generate revenues to support their activities.





The revenue and expense components of the budget are detailed in the following pages.

### ***UMass Overview***

The University is a state coeducational institution for higher education with separate campuses at Amherst, Boston, Dartmouth, Lowell and Worcester in The Commonwealth of Massachusetts (the “Commonwealth”). The University was established in 1863 in Amherst, under the provisions of the 1862 Morrill Land Grant Acts, as the Massachusetts Agricultural College. It became known as the Massachusetts State College in 1932 and in 1947 became the University of Massachusetts. The Boston and Worcester campuses were opened in 1965 and 1970, respectively. The Lowell and Dartmouth campuses (previously the University of Lowell and Southeastern Massachusetts University, respectively) were made a part of the University by a legislative act of the Commonwealth, effective September 1, 1991.

The University’s core mission is *“to provide an affordable and accessible education of high quality and to conduct programs of research and public service that advance knowledge and improve the lives of the people of the Commonwealth, the nation and the world.”*

The University’s five campuses are geographically dispersed throughout the Commonwealth and possess unique and complementary missions. In addition, the University has a system-wide online education consortium called UMassOnline.

The University offers a broad spectrum of academic programs, granting Bachelor of Arts degrees in over 60 fields, Bachelor of Science degrees in over 50 fields, and bachelor’s degrees in a number of other areas, including Fine Arts and Business Administration. Master of Arts degrees are granted in more than 25 fields, Master of Science degrees in over 45 fields and a variety of other master’s degrees are granted in specialized areas including Education, Teaching, Business Administration and Public Health. In addition to the foregoing, the University grants Doctor of Philosophy degrees in over 50 fields, as well as Doctor of Education, Doctor of Science, Doctor of Engineering, Juris Doctor, and Doctor of Medicine degrees. The academic resources of the University are also accessible to part-time students, to local, national and international businesses, and to the general community through the continuing education programs.

Each campus of the University is accredited by NEASC, the major accrediting body for institutions of higher education in New England. The Amherst, Boston, Dartmouth, Lowell and Worcester Campuses are accredited through 2018, 2025, 2020, 2023 and 2020, respectively. The Medical School at the Worcester Campus is a member of the Association of American Medical Colleges and was given full accreditation through the 2019-2020 academic year by the LCME, the major accrediting body for programs leading to the M.D. degree. In addition to the foregoing, individual schools and academic programs are accredited by the appropriate agencies in their particular fields.





The Times Higher Education World University Rankings, considered the most rigorous and influential comparison of universities internationally, ranked the UMass system among the 30 best public universities in the nation and as the No. 1 public university in New England. The Amherst campus is among US News & World Report's top 30 Public Universities in the nation and for the sixth consecutive year was named to Kiplinger's "100 Best Values in Public Colleges" list. The Dartmouth campus's College of Nursing was ranked in the top 20 percent of graduate programs by US News & World Report in 2015. This year, *Washington Monthly* named the Dartmouth campus among the top 25 universities in the nation for its "contribution to the public good." The Medical School at Worcester continually ranks in the top 10% nationally for primary care. UMass Lowell is among US News & World Report's Top 100 public universities nationwide. The Princeton Review has included UMass Boston on its list of Best Business Schools. UMass Boston has seen significant growth and transformation and is a point of pride for the University in its ability to attract a diverse population of staff and students. UMassOnline have earned coveted spots in several categories in the U.S. News & World Report and GetEducated.com Best Buy rankings. Adding to its world-class reputation, total research and development expenditures at the University reached approximately \$632 million in fiscal year 2016.

Under the General Laws of the Commonwealth, the University is governed by a Board of Trustees under the coordinating authority of the Commonwealth's Department of Higher Education (DHE). The day-to-day operations of the University are directed by a team of administrative officers of the University, the chief executive officer being the President of the University.

The General Laws give the University Trustees the authority to govern the University and to appoint the President, the Chancellors, and other officers and members of the professional staff. The General Laws also grant to the University Trustees the legal right to establish and manage non-appropriated funds, which funds include, for example, certain student fees, grants and contracts, and funds used to support certain self-sufficient operations within the University. The University Trustees consist of 19 voting members and three non-voting members. Seventeen voting members of the University Trustees are appointed by the Governor of the Commonwealth. One of these appointees is the Secretary of Education, as mandated by Chapter 27 of the Acts of 2008 and at least five of those appointed must be alumni of the University and one must be a representative of organized labor. Two of the voting members are full-time students of the University and three additional full-time students act as non-voting members. The student members are elected annually from each of the five campuses and the two voting student positions are rotated annually among the members representing the five campuses. The University Trustees, except for the student members, serve five-year staggered terms, and are eligible for reappointment for an additional five-year term.

The President is responsible for implementing the policies of the University Trustees and for providing leadership for the activities and operations of the University. The President's Office is responsible for the development of academic and financial policies, overall coordination of



University activities, and certain University-wide operational activities, including Internal Audit, the General Counsel's office, the Treasurer's and Controller's functions, Information Systems, and Human Resources.

### ***Budget Planning Process***

The University has developed a coordinated budget planning process that allows for consistency in the assumptions surrounding certain budget inputs that affect all of the campuses while also allowing for the campus budgets to incorporate the unique qualities that affect their revenues and expenditures. The Statement of Revenues, Expenses and Changes in Net Position format is used. Audited Financial Statements are used to include actuals for FY16 for each campus along with FY17 projected and FY18 budgeted.

In order to ensure that consistent assumptions are made on budget inputs that impact all of the campuses, the President's Office provides guidance to campuses at the beginning of the budget development process around tuition, state appropriation, employee benefits (fringe, health and welfare, collective bargaining), investment income, debt service schedules and interest rates for new borrowing, and inflation.

For each campus, enrollment and employee FTE assumptions are unique factors that vary based on programs provided and strategic planning efforts. The assumptions included around these budget inputs are critical and therefore must account for the specific needs of each campus.

Further information on the assumptions used to develop the FY18 budget are included on the following pages along with budget detail tables at both the University level and the campus level.

### ***Budget Administration Overview***

The budget is developed and administered in accordance with Board of Trustee Policy T92-031 entitled "Policy for Management of University Funds". This policy stipulates that an annual operating budget for the University be prepared and approved by the Board of Trustees each fiscal year and that the University's Senior Vice President for Administration & Finance is responsible for planning and coordinating the budget process for the University. In addition to the budget, this policy specifies expenditure authority, guidelines and criteria, official records, internal controls, and reporting requirements of the University and its campuses.

From a practical standpoint, this Board policy is implemented through coordination between the Senior Vice President for Administration and Finance and Treasurer within the President's Office and the Vice Chancellors for Administration and Finance at each of the campuses. Reporting to the Senior Vice President for Administration and Finance and Treasurer are the following departments that support the sound fiscal management of the University:

- Office of Management and Fiscal Affairs – Serves as the central coordinating point for the budget process, capital plan, debt service, reports on the financial forecast and financial



indicators and financial aid, and development and coordination of the *Efficiency & Effectiveness* initiatives. This department works directly with the campuses on these efforts and also serves as a liaison to the State Administration and Legislature.

- Controller's Office – Coordinates and prepares the University's annual financial statements, manages the general ledger and financial reporting structure, develops and implements financial policies, and maintains the financial accounting for the University.
- Treasurer's Office – Responsible for University cash management and oversight, risk assessment and insurance management, and tax policy and reporting. This function is fully centralized within the President's Office and not duplicated on any campus.
- Procurement Office – Coordinates University-wide contracting, develops spend analytics for use by the campuses, develops and implements purchasing policies and guidelines compliance, and researches and implements purchasing tools and services to create efficiencies system-wide.

Board Policy [T92-031](#) can be found in its entirety using the hyperlink or on the Board of Trustees' website at <http://www.massachusetts.edu/bot/> under the "Policies and Guidelines" section of the page.

### ***Basis of Budgeting***

The University's Operating Budget is reported in a modified accrual-based budget report format. This format reflects the "view" of information that is consistent with the audited financial statement format and the annual financial projection for revenues and the natural classification of expenses. The natural classification view improves the ability to compare between institutions and also summarizes certain expenses that are often researched such as salary and benefit costs.

### ***Budget Calendar***

The University's fiscal year, like that of the Commonwealth, is from July 1 through June 30. Throughout a given fiscal year, activities are occurring in support of reporting on the prior year, managing the current year and developing the subsequent year that make the budget cycle continuous. At the start of the fiscal year, July 1<sup>st</sup>, the University implements the budget that has been approved by the Board of Trustees and supported by State through its separate budget process. At the same time, the University undertakes its financial forecast process which develops assumptions for budget inputs and projects revenues and expenses over a five-year period. Utilizing the financial forecast, the University calculates key financial ratios over the five-year period to help analyze the fiscal health of the organization and to help make current year decisions. This information is presented to the Board of Trustees at the September meeting and is used as the basis for the next fiscal year budget request to the State.

During this timeframe, the University's prior year financial statements are completed. Additionally, under President Meehan's leadership, a process for reviewing quarterly budget to actual revenues and expenses and a year-end forecast has been added in order to identify issues



and make corrective actions prior to the end of the fiscal year. The University develops and submits its budget request for the next year to the Executive Office for Administration and Finance typically in November. This request provides an overview of current year activities as well as next year initiatives and funding needs.

In January of each year, the Governor makes funding recommendations to the Legislature. The University also has the opportunity to request funding through the Legislative budget process through an official request that occurs in approximately February of each year.

As the State budget process progresses through the Legislature with the House budget in April and the Senate budget in May, the University progresses with their budget development process. The President's Office develops key assumptions for the campuses to ensure consistency while the campuses develop funding needs based on enrollment, staffing, and specific campus initiatives. This part of the process requires the submission of tuition and budget tables that report on revenue and expense needs of the campuses. This information is compiled and reviewed by the President's Office and reported to the Board at the June meeting of the Board of Trustees.

Throughout the fiscal year, besides the operating budget process, several other important financial management tasks are underway including the capital plan, quarterly capital report to the Board, and annual financial aid reporting.

***UMass: Efficiencies & Effectiveness***

As the State's public research university, UMass remains committed to spending its funds wisely while maintaining its commitment to quality. The University continues to examine its business practices and implement meaningful, financially impactful improvements wherever possible. Even under the best fiscal conditions, the University takes its responsibility seriously for ensuring that both taxpayer and student dollars are used in the most efficient and effective manner. The University also understands that along with fiscal responsibility we must demonstrate that we are driving efficiencies and improving quality everywhere for our students.

In FY13, the University, through its Board of Trustees created a permanent Task Force on Efficiencies and Effectiveness charged with ensuring that improving quality through more efficient and effective operations continues to be a priority for the University. The Task Force, along with the President's Office and the campuses are working to promote a more standardized approach for cross campus coordination and oversight of the entire effort, track and report progress, and quantify the benefits to the University and its campuses.





**FY18 University Operating Budget  
July 17, 2017**

2016 Report	# Projects	Cost Reduction	Cost Avoidance	Total Savings
Purchasing Initiatives	24	\$12,788	\$37,805	\$50,593
Energy & Sustainability	30	\$12,975	\$66,083	\$79,058
IT Initiatives	77	\$5,103	\$34,621	\$39,724
<b>Subtotal</b>	<b>131</b>	<b>\$30,866</b>	<b>\$138,509</b>	<b>\$169,375</b>

In order to ensure that the University’s E&E efforts are integrated at every level within the organization, several sub-groups have been organized to focus on specific areas of business and to bring subject matter experts from each of the campuses and the President’s Office together to drive efficiency initiatives and ultimately change our practices to be more efficient and effective. The working groups include an IT Steering Committee, Strategic Energy Committee, Purchasing Council, and Facilities Committee. In addition the UMass Building Authority and our Human Resources department have identified and implemented efficiency projects across the system that reflect both hard savings and soft benefits.

In addition to the overall costs saved or avoided, estimates are generated that breakout the cost reductions and savings by the fiscal year in which they will be recognized. The first year of savings typically represents actual cost saved for that year along with any avoided costs that have been specified. The out-years of a project typically reflect the costs avoided for the life of a contract. For those initiatives that are not contract driven, a period of only 1 or 2 years is used to represent the savings even if the savings are permanent.

Through this coordinated effort, the University can ensure that the importance of these efforts is being properly communicated to the entire University and also ensure that we are consistently gathering and reporting information associated with our efforts. The full E&E Reports that the University has issued can be found here: <https://www.umassp.edu/budget-office/efficiency-effectiveness>

***Business Process Redesign***

In 2016, the University applied for, and received, a \$400,000 two year grant from the Davis Foundation to conduct a business process redesign. In making the award, the Foundation remarked that the project was an enormous and complex undertaking and assessed the leadership team as strong and competent. The grant, along with \$670,000 University cost share resources will support project management and change management costs. In early 2016, in response to a review of the current finance/HR enterprise system, Vice Chancellors of Administration and Finance and campus leadership held a one-day working session in Amherst to discuss business process review and shared services. The session produced a resounding commitment to a Business Process Redesign (BPR) review and agreement to leverage respective strengths to restructure business processes, eliminate redundancy, establish standardization and create alignment of the critical functions in finance and human resources. In March 2017 the We Are Better Together initiative officially kicked off with a working session that introduced the BPR



approach. Key participants from all campuses actively participated in shaping the future A&F University System by identifying key processes that would offer the greatest opportunities for improvement based the BPR defined goals.

***FY17 Budget Update***

The FY17 budget has experienced several areas of uncertainty that the University has had to contend with and find ways to resolve to ensure that the financial position of each campus and the University as a whole was on as solid footing as possible throughout the course of the fiscal year. The FY17 State budget provided \$508.3 million representing a \$3.4 million reduction from the prior year. During the course of the fiscal year, revenues continued to fall below benchmark and the Administration was faced with making decisions in order to maintain a balanced budget. It has been estimated that the State budgeted revenue will fall short of benchmark by \$375-575 million. In spite of this shortfall, no mid-year budget reduction were assigned to the University.

**FY17 State Budget**

<i>\$ In Thousands</i>	
FY16 Funding	511,654
FY17 Funding	508,292

***Collective Bargaining***

Since FY15, there has been uncertainty around the State funding for its share of collective bargaining for the first year of ratified contracts that started in FY15. The State provided parameters for negotiating the three-year contract period set for July 2014 – June 2017. The University negotiated in good faith and once contracts were ratified, submitted them to the Governor for approval and funding. By contract and law, a separate reserve account is established with funding and specific language validating the contract for that unit. For the subsequent years of the contracts, it is expected that the additional costs are built into the University’s base appropriation. For the FY15 State portion of the contract, \$13.1 million was provided through supplemental budgets in FY15 and FY16. However, that supplemental funding was one-time and was not built into the base for FY17. In total, the State portion of the contracts was \$54 million and only \$20 million in funding was provided leaving the University \$34 million short. The campuses made difficult spending decisions over the course of the 3-year contract period and have been able to manage to a University level positive operating margin.



\$ in Thousands

Campus	State Costs (FY15-17)	Funding Provided (FY15-17)	Shortfall
Amherst	25,347	9,771	(15,576)
Boston	8,983	3,460	(5,523)
Dartmouth	6,396	2,478	(3,919)
Lowell	9,940	3,924	(6,016)
Medical	3,640	906	(2,734)
<b>Total</b>	<b>54,307</b>	<b>20,540</b>	<b>(33,768)</b>

### Enrollment

Student enrollment across the System grew by 1.0% for FY17 reflecting the continued success of our campuses enrollment strategies on attracting quality students. Although enrollment grew, it was less than budgeted levels for FY17 resulting in course corrections across several campuses. At the Dartmouth and Lowell campuses, early tracking of enrollment below budget allowed for new strategies to be implemented to lessen the impact on lost revenue. In the case of Lowell in particular, a focus on student residency allowed for no impact on revenue, while in Dartmouth, further expense reductions and use of contingency funds offset what would have resulted in a larger revenue impact.

### Student (FTE)

	Budget FY17	Forecast FY17	FTE Change	% Change
Amherst	27,595	28,340	745	2.7%
Boston	13,504	13,102	(402)	-3.0%
Dartmouth	7,795	7,557	(238)	-3.1%
Lowell	14,056	13,909	(147)	-1.0%
Medical	1,067	1,073	6	0.5%
<b>Total</b>	<b>64,017</b>	<b>63,980</b>	<b>(37)</b>	<b>-0.1%</b>

### Net Tuition Revenue (\$ in Thousands)

	Budget FY17	Forecast FY17	\$ Change	% Change
Amherst	372,141	374,270	2,129	0.6%
Boston	204,819	188,844	(15,975)	-7.8%
Dartmouth	79,655	76,632	(3,023)	-3.8%
Lowell	189,386	190,376	990	0.5%
Medical	20,794	21,305	511	2.5%
<b>Total</b>	<b>866,864</b>	<b>850,993</b>	<b>(15,872)</b>	<b>-1.8%</b>

### Quarterly Reporting

The System's budgeted operating margin for FY17 was estimated at a tight 0.1% or \$2.5 million. As such, President Meehan implemented a quarterly report in order to evaluate budgeted to actual revenues and expenses, enrollment and employee levels across the system. In addition the report required an estimated year-end forecast in order to determine if this System was on track against the budgeted margin.

Through this process, issues were identified at the Boston campus at the close of the first quarter and the President took action by establishing a task force of System and Campus staff



to identify and implement budget solutions. While the campus is estimating a year-end deficit of \$9.9 million, progress was made toward reducing this amount through the actions taken by the campus. The Boston deficit was ultimately offset by better than budgeted performance at the remaining campuses resulting in an estimated System surplus of \$20.6 million or 0.6%.

Campus	FY2017 BUDGET				FY2017 FORECAST				FORECAST
	Total Revenue	Total Expenses	OM\$	OM%	Total Revenue	Total Expenses	OM\$	OM%	vs. BUDGET OM\$ Change
Amherst	1,198,107	1,188,423	9,684	0.8%	1,213,096	1,196,608	16,488	1.4%	6,804
Boston	431,866	429,607	2,259	0.5%	422,345	432,206	(9,861)	-2.3%	(12,120)
Dartmouth	250,050	253,485	(3,435)	-1.4%	247,475	245,997	1,478	0.6%	4,913
Lowell	440,277	438,207	2,070	0.5%	437,886	434,208	3,678	0.8%	1,608
Medical School	882,102	890,178	(8,076)	-0.9%	890,672	883,606	7,066	0.8%	15,142
Central	107,668	107,668	0	0.0%	107,783	106,074	1,709	1.6%	1,709
<b>Total (2)</b>	<b>3,236,295</b>	<b>3,233,768</b>	<b>2,527</b>	<b>0.1%</b>	<b>3,243,431</b>	<b>3,222,873</b>	<b>20,558</b>	<b>0.6%</b>	<b>18,031</b>

(1) Boston deficit increased from Q3 report of (\$7M) to (\$9.9) due to Summer I session enrollment below budgeted benchmark

(2) Impact of GASB 68 on a GAAP basis is not reflected in expense totals

Lessons learned through the quarterly reporting process will ultimately lead to the implementation of additional best practices including a review and update of current policies, deployment of PeopleSoft functionality for employee tracking and an A&F Executive dashboard to provide more real-time information to System and Campus leaders.

### **FY18 Budget Challenges**

The University, like most organizations has identified the major expense drivers which must be funded during the budget process. For many other public institutions, these are costs that are supported through State resources. However, with limited State funding increases to other revenues must support these drivers including:

- Salaries, Wages and Fringe – These make up 58% of the University’s total budget with the majority of the increase driven by collective bargaining and the fringe rate, which are determined by the State. The University employs over 14,800 employee FTEs and the campuses are among the largest employers in the regions they serve.
- Capital Support – Capital expenses such as depreciation and interest make up 12% of the University’s total budget and support necessary investments that maintain our campuses and meet the growing needs of the University. The University’s capital plan generates over \$550 million in direct construction expenditures and over \$500 million in additional economic activity in our regions supporting over 6,000 jobs statewide. These investments come after years of minimal State funding for deferred maintenance or new facilities to meet our increased enrollment.
- University Financial Aid – The University continues to make record high investments in financial aid in order to address the needs of our student body and to help students lessen their debt burden at graduation. As a University, we continue to meet close to



90% of In-State Undergraduate Need – meaning the percentage of need that was met of students who were awarded need based financial aid. The University strives to be accessible to our residents and therefore continues to invest in financial aid programs for our students.

The FY18 General Appropriations Act signed into law included an appropriation of \$513.5 million which is a \$5 million or 1% increase over last year. Based on the differences in the House and Senate budgets released in April and May respectively, the University deferred action on the budget until July in order to allow for the State budget process to be completed:

<b>FY18 State Budget</b>	
<i>\$ In Thousands</i>	
FY17 Funding	508,292
University Request	538,638
Governor	513,375
House	513,375
Senate	534,472
<b>FY18 Budget</b>	<b>513,545</b>

In addition, the University works to limit tuition increases in order to maintain access and affordability to our students. Given that the University’s Educational costs are funded by student tuition and State funds, limited increases in these revenues require expense reductions in order to maintain a balanced budget.

***FY18 Budget Overview***

The annual budget for the University is a plan for the fiscal year that incorporates the unique needs of each of the campuses while maintaining affordability and quality. It includes costs that continue to rise to support needs of the campuses such as increased employee contracts and fringe benefits, financial aid, and capital costs that must be factored into the annual budget plan. To offset some of these non-discretionary increases, the University’s E&E efforts have achieved meaningful savings at each of the campuses that can then be used to support some of the increases within the budget. At the campus level, plans have been developed to balance the budget with some known deficits allowed for specific reasons.





**FY18 University Operating Budget  
July 17, 2017**

Campus	FY2018 BUDGET				FY2017 FORECAST				FY18 BUDGET vs. FY17 FORECAST
	Total Revenue	Total Expenses	OM\$	OM%	Total Revenue	Total Expenses	OM\$	OM%	OM\$ Change
Amherst	1,243,383	1,239,377	4,006	0.3%	1,213,096	1,196,608	16,488	1.4%	(12,482)
Boston	431,135	436,135	(5,000)	-1.2%	422,345	432,206	(9,861)	-2.3%	4,861
Dartmouth	251,717	251,175	542	0.2%	247,475	245,997	1,478	0.6%	(936)
Lowell	456,934	454,350	2,584	0.6%	437,886	434,208	3,678	0.8%	(1,094)
Medical School	909,991	907,932	2,059	0.2%	890,672	883,606	7,066	0.8%	(5,007)
Central	116,634	115,358	1,276	1.1%	107,783	106,074	1,709	1.6%	(433)
<b>Total</b>	<b>3,333,968</b>	<b>3,328,501</b>	<b>5,467</b>	<b>0.2%</b>	<b>3,243,431</b>	<b>3,222,873</b>	<b>20,558</b>	<b>0.6%</b>	<b>(15,091)</b>

**FY18 Revenues and Expenses**

The University's financial operations consist of five major expense categories: Educational and General, Research, Public Service, Auxiliary Enterprises, and Other. The Educational and General expense budget includes academic programs, student services programs, academic and institutional support programs, physical plant operations and financial aid. These activities are funded from student tuition, State appropriations, and some other smaller revenue sources. Research, Public Service and "Other" activities are funded by grants and contracts. Auxiliary Enterprises are a set of self-sufficient services ancillary to the general educational mission of the University. These include such items as dining and residence halls, student health services and parking facilities. The University reviews fees annually with the goal of having the Auxiliary Enterprises budget be self-sufficient.

**Revenue**

The University maintains diverse revenue sources to support overall operations including revenues that directly support educational costs and revenues that support research, public service activities and self-supported or auxiliary operations. The President's Office provided specific revenue assumptions for each campus to build into the FY18 budget including:

Revenue Assumptions	FY18 Assumption	\$ Value
State Appropriation	No increase to State Appropriation; Conference Report = \$5M increase	
State Collective Bargaining	Year 1 of New Contract: 0%	
Investment Return - Operating	1.19%	\$1.1M
Tuition: Undergrads, In State	ABDL=3%	\$11.9M
Tuition: Undergrads, Out of State	A = 4%, BDL = 3%	\$8.1M
Tuition: Grads	ABD = 3%, L = 2%	\$3.4M
Mandatory Fees (Student Activity, Tech.)	L = Student Activity; all other 0%	\$860K
Non-Mandatory Fees	Increase contingent on campus request and Presidential approval	\$1.3M



FY18 budgeted revenues total \$3.3 billion consisting of the following Operating and Non-Operating revenue sources:

- Tuition & Fees – This category represents all tuition and fees net of financial aid provided to students. Tuition and mandatory fees are set by the University’s Board of Trustees while other fees are approved by the President. During years of declining State support for the University, fees were increased to continue to support educational needs. Changes to the tuition category of revenue are also driven by changes in enrollment. For FY18, in-state undergraduate tuition rates have been proposed to increase by 3.0%; \$440 at Amherst, \$393 at Boston, \$383 at Dartmouth, and \$418 at Lowell along with increases in other fees at the campuses in support of specific campus costs and initiatives. Detailed Tuition and fee schedules are provided for each campus in the Appendices included in this report. In summary, the increases in tuition at each campus are as follows:

	<b>In State UG</b>	<b>Out State UG</b>	<b>Grad</b>
Amherst	3.0%	4.0%	3.0%
Boston	3.0%	3.0%	3.0%
Dartmouth	3.0%	3.0%	3.0%
Lowell	3.0%	3.0%	2.0%
Medical	N/A	N/A	3.0%

- State Appropriations – This revenue category includes the direct State Appropriation as published in the annual State budget along with fringe benefit support for State funded employees. The University budget has been developed in accordance with the appropriation included in the FY18 GAA signed into law by Governor Baker. The fringe rate for FY18 has been set by the State at 34.86%. For those employees funded using the State revenues in this category, the State directly supports their fringe benefits costs.
- Grants – These revenues (Government, Local and Private) are grants provided by these sources in support of a specific purpose that is generally tied to the Research expenses of the University. Over the past few years, campuses have experienced relatively flat revenues or decreases in these categories due to Federal budget cuts and sequestration. The Amherst and Medical School campuses represent 75% of the total revenues in this area and have been the most impacted by the experienced reductions. These revenues support employees and when reduced or eliminated, campuses balanced expenditures by using reserve funds, internal loans from other sources, or staff layoffs to eliminate the function.
- Auxiliary Services – These revenues support all revenue generating operations at the campuses including Housing, Dining, Parking, and Continuing Education, among others.



Revenues are generated through fees recommended by the campuses and approved by the President. Each campus develops a budget for these services provided in order to develop reasonable rates. The goal is for all Auxiliary services to be self-supporting operations however in order to keep costs to students low and increases reasonable, some services are subsidized with general revenues. Amherst, Dartmouth and Lowell are projecting increases to this category due to fee increases and utilization.

- Independent Business Lines – These revenues represent the business lines of the Medical School which include: Commonwealth Medicine which partners with public health and human services agencies to maximize federal support of health related expenditures and MassBiologics which is an FDA-licensed manufacturer of vaccines that works to improve public health through applied research, development and production of biologic products, including vaccines, plasma derivatives and most recently, monoclonal antibodies.
- Sales & Service, Educational – These are revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold.
- Other Non-Operating Revenues – This revenue includes:
  - Gifts – public and private gifts used in current operations, excluding gifts for capital acquisition and endowment gifts. The University continues to have several aggressive fundraising campaigns underway.
  - Return on Investments & Endowment – estimated by the Treasurer’s Office based on a five-year income projection including total projected unrealized gains. Assumptions included are the Operating Cash Return estimated at 1.19%.



**FY18 University Operating Budget**  
**July 17, 2017**

Revenues	Budget	Forecast	Variance		Actual FY2016
	FY2018	FY2017	\$	%	
Gross Tuition & Fees	1,184,029	1,135,848	48,182	4.2%	1,070,840
Tuition Discounts	(300,484)	(284,855)	(15,629)	5.5%	(244,025)
Net Tuition & Fees	883,545	850,993	32,553	3.8%	826,815
State	728,222	720,518	7,704	1.1%	669,748
Grants	563,465	529,528	33,937	6.4%	528,352
Auxiliary Enterprises	413,397	397,323	16,075	4.0%	383,281
Independent Business Lines <sup>(1)</sup>	349,295	355,444	(6,149)	-1.7%	356,215
Sales & Service, Educational	32,059	31,566	493	1.6%	27,500
Other Operating	195,311	192,315	2,996	1.6%	281,333
Other Non-Operating	175,969	173,428	2,541	1.5%	173,013
<b>Total Revenues <sup>(2)</sup></b>	<b>3,341,264</b>	<b>3,251,115</b>	<b>90,149</b>	<b>2.8%</b>	<b>3,246,257</b>

*(1) Revenues associated with UMMS Commonwealth Medicine and MassBiologics.*  
*(2) Operating Margin calculation does not include unrealized gains which are included in Total Revenues above.*

**Expenses**

The University’s spending needs are driven by enrollment, employee costs such as collective bargaining and fringe benefits, financial aid and capital investments. All of these costs support the overall education experience of the University’s students. Although the University as a whole as well as each campus has implemented and continues to explore efficiency projects that help save meaningful dollars, costs continue to increase in the areas outlined below that must be accommodated. The President’s Office provided specific revenue assumptions for each campus to build into the FY18 budget including:

Expense Assumptions	FY18 Assumption	\$ Value
Collective Bargaining	Year 1 of New Contract: 0%	\$0
Fringe Rate	34.86% fringe & 1.41% payroll tax; 3% increase over prior year	28.5M
Inflation for non-personnel expenses (based on HEPI 2016 Nat'l Average)	1.80%	12.5M
Interest on new borrowing	No new borrowing assumed	
Financial Aid	Increase consistent with T&F Increase; maintain current % Need Met	



FY18 budgeted expenses total \$3.3 billion consisting of the following:

- Salaries & Fringe – This category includes salaries and all other compensation including health insurance and collective bargaining costs for full and part time faculty and staff who support all campus and system office operations. This category increases by 2.9% for FY18 largely due to the annualized value of collective bargaining contracts from prior years and fringe with a small remainder for faculty and staff needs of the campuses in support of specific initiatives.
- Non-Personnel Expense – This category includes all non-salary related expenses for campus operations such as utilities, plant operations, media services, technology and supplies to support academic instruction and student support services. This category increases by 3.5% mainly in the area of operation and maintenance of plant as new facilities are brought on line as part of the capital plan investments.
- Scholarships and Fellowships – This category includes grants-in-aid, trainee stipends, and tuition and fee waivers. This should not be confused with tuition and fee discounts and allowances (financial aid) that is recorded as a discount to revenues. For FY18, this category increases 8.3% mainly to support enrollment increases and the additional scholarship and fellowship opportunities needed to accommodate more students.
- Depreciation – This category includes all facility depreciation expenses in accordance with the University’s capitalization and depreciation policies. For FY18, this expense grows by 5.2% due to the new facilities brought on line that must be accounted for in the campus depreciation schedules.
- Interest – This category includes the cost of bond and note borrowings utilized to finance capital projects. Principal payments are not included in this category nor are they shown on the SRECNP view of the budget.

<i>(\$ in Thousands)</i>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>\$</b>	<b>%</b>	<b>FY2016</b>
Salaries & Fringe	1,927,127	1,873,106	54,022	2.9%	1,779,495
Non-personnel	965,061	932,413	32,648	3.5%	1,075,748
Scholarships and fellowships	46,795	43,218	3,577	8.3%	44,645
Depreciation	272,172	258,736	13,436	5.2%	240,865
Interest	117,347	115,401	1,946	1.7%	105,276
<b>Total Expenses</b>	<b>3,328,501</b>	<b>3,222,873</b>	<b>105,628</b>	<b>3.3%</b>	<b>3,246,029</b>





### Key Financial Ratios

#### Operating Margin Ratios

The operating margin measures whether or not the University lived within its means during the year and what potential level of reserves were set aside. It compares the University's revenue (excluding unrealized gains or losses) to expenses. Because the University reports its budget based on the financial statement view, depreciation is included in the total expenses while debt service and capital expenditures are not.

*(\$ in Thousands)*

FY2018 BUDGET				
Campus	Total Revenue	Total Expenses	OM\$	OM%
Amherst	1,243,383	1,239,377	4,006	0.3%
Boston	431,135	436,135	(5,000)	-1.2%
Dartmouth	251,717	251,175	542	0.2%
Lowell	456,934	454,350	2,584	0.6%
Medical School	909,991	907,932	2,059	0.2%
Central	116,634	115,358	1,276	1.1%
<b>Total</b>	<b>3,333,968</b>	<b>3,328,501</b>	<b>5,467</b>	<b>0.2%</b>

In order to adjust the operating margin to reflect a report on a cash basis, total expenses are adjusted to exclude depreciation and add back debt principal and capital expenses. This view is a more accurate reflection of expenses in a given fiscal year.

*\$ in Thousands*

FY2018 BUDGET								
Campus	Total Revenues	Total Expenses	Less Depreciation Expense	Plus Principal Expense	Plus Capital Expense	Total Expenditures	OM\$	OM% Cash Flow
Amherst	1,243,383	1,239,377	(118,802)	41,841	49,950	1,212,366	31,017	2.5%
Boston	431,135	436,135	(25,711)	12,531	12,221	435,176	(4,041)	-0.9%
Dartmouth	251,717	251,175	(19,391)	10,036	3,500	245,319	6,398	2.5%
Lowell	456,934	454,350	(37,812)	13,866	28,500	458,903	(1,969)	-0.4%
Medical	909,991	907,932	(66,115)	21,409	45,950	909,176	815	0.1%
Central	116,634	115,358	(4,340)	-	-	111,018	5,616	4.8%
<b>University</b>	<b>3,333,969</b>	<b>3,328,501</b>	<b>(272,172)</b>	<b>99,683</b>	<b>140,121</b>	<b>3,296,133</b>	<b>37,836</b>	<b>1.1%</b>

#### Debt Ratios

The Debt Service Burden Ratio is a key tool in measuring debt affordability and is considered a key financial indicator for any institution using debt. This ratio examines the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. It compares the level of current debt service with the institution's total expenditures. By maintaining an appropriate proportion of debt service to total expenses, other critical and strategic needs can be met as part of the expense base. By



keeping debt service within the Board-imposed limit, the University will ensure that debt service remains affordable and future debt does not impact existing programs. Many institutions of higher education have developed formal debt policies establishing debt service burden caps. This metric is used by Fitch and S&P in their rating decisions; by the Commonwealth in its debt affordability policy; and by many institutions of higher education (including University System peers) as a financial indicator.

<i>\$ in Thousands</i>	<b>FY2018 Budget</b>		
	<b>Campus</b>	<b>Total Debt (P&amp;I)</b>	<b>Total Expenses</b>
Amherst	80,202	1,239,377	6.5
Boston	25,809	436,135	5.9
Dartmouth	17,889	251,175	7.1
Lowell	35,042	454,350	7.7
Medical	53,781	907,932	5.9
Central	3,914	115,358	3.4
<b>University</b>	<b>216,637</b>	<b>3,328,501</b>	<b>6.5</b>

The Debt Service Coverage ratio measures the excess of income over adjusted expenses available from current year operations to cover annual debt service payments. This is an important ratio because it indicates that the institution has a net revenue stream available to meet its debt burden should economic conditions change. A high ratio is considered advantageous, while a low ratio or declining trend gives reason for concern regarding the institution's ability to sustain its operations, especially in the face of future budgetary challenges. This metric is used by Fitch in its rating decisions.

<i>\$ in Thousands</i>	<b>FY2018 Budget</b>				
	<b>Campus</b>	<b>Surplus / (Deficit)</b>	<b>Depreciation</b>	<b>Interest</b>	<b>Debt Service</b>
Amherst	4,006	118,802	38,361	80,202	2.0
Boston	(5,000)	25,711	13,278	25,809	1.3
Dartmouth	542	19,391	7,853	17,889	1.6
Lowell	2,584	37,812	21,176	35,042	1.8
Medical	2,059	66,115	32,765	53,781	1.9
Central	1,275	4,340	3,914	3,914	2.4
<b>University</b>	<b>5,467</b>	<b>272,171</b>	<b>117,347</b>	<b>216,637</b>	<b>1.8</b>



*Reserve Ratio*

The Primary Reserve Ratio is a reasonable measure of financial viability and a broad measure of the liquidity of the institution. Because this ratio measures expendable resources within the context of operating size, it is a measure of relative wealth or wealth against commitments of the institution. The Primary Reserve Ratio provides a measure of the University's expendable resources in relation to its overall operating size. Operating size is a key financial data element because it is the best way to compare available resources against the impact of increased costs, educational activities, and current commitments. Total expenses is used as the measure of operating size in this ratio as opposed to total assets, revenue, or some other indicator because it represents actual obligations that the institution will likely have to meet again in the coming year.

<i>\$ in Thousands</i>	<b>FY2018 Budget</b>		
	<b>Unrestricted Net Assets</b>	<b>Total Expenses</b>	<b>Primary Reserve (%)</b>
Amherst	309,379	1,239,377	25.0
Boston	12,053	436,135	2.8
Dartmouth	20,074	251,175	8.0
Lowell	84,294	454,350	18.6
Medical	245,088	907,932	27.0
Central	122,140	115,358	105.9
<b>University</b>	<b>793,026</b>	<b>3,328,501</b>	<b>23.8</b>

***Staffing Overview***

The University employs 14,725.7 FTEs which includes full and part-time faculty, professional and clerical and maintenance support staff, of which 70% are covered by collective bargaining units including faculty, professional staff, clerical and maintenance support staff and police officers. In total, the University currently has 41 collective bargaining units (including three post-doctoral employee units, three graduate employee units and one undergraduate resident assistants' unit). The University is awaiting parameters to execute collective bargaining agreements that cover the period from July 2017 through July 2020 with most of its employee unions.

For FY18, FTEs are increasing by 113.7 to 14,839.4 FTEs to fill vacant positions and support growth in enrollment and the campus capital plans that require support for housing programs and maintenance needs.



*FY18 University Operating Budget  
July 17, 2017*

<i>(Employee FTEs)</i>	UNIVERSITY				
	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
			#	%	
<b>Grant Funded (Restricted)</b>					
Faculty	332.5	317.5	15.0	4.7%	312.3
Professional	1,275.0	1,198.0	77.0	6.4%	1,174.9
Classified	251.9	242.9	9.0	3.7%	234.0
<b>Total Restricted</b>	<b>1,859.4</b>	<b>1,758.4</b>	<b>101.0</b>	<b>5.7%</b>	<b>1,721.2</b>
<b>Unrestricted</b>					
Faculty	3,886.1	3,862.9	23.3	0.6%	3,870.3
Professional	5,338.0	5,364.5	(26.5)	-0.5%	5,365.1
Classified	3,755.9	3,739.9	16.0	0.4%	3,743.0
<b>Total Unrestricted</b>	<b>12,980.0</b>	<b>12,967.3</b>	<b>12.8</b>	<b>0.1%</b>	<b>12,978.4</b>
<b>Total Faculty &amp; Staff</b>	<b>14,839.4</b>	<b>14,725.7</b>	<b>113.7</b>	<b>0.8%</b>	<b>14,699.6</b>

**Student Enrollment Overview**

Admission to the University is open to residents and non-residents of the Commonwealth on a competitive basis.

For FY18, University enrollment increases by 0.9% to 64,586 FTEs. While the Boston and Dartmouth enrollment remain relatively flat, Amherst and Lowell are projecting increases. In Boston, efforts are being made expand while also increasing student diversity and strengthening the quality of the student body. The Lowell campus is expanding out-of-state and international enrollments, Master's and on-line enrollments and is focused on increasing the retention and persistence of current students to maintain enrollment levels and improve student outcomes. The Medical School has begun enrolling out of state students while maintaining its commitment to Massachusetts residents.

<i>(Student FTEs)</i>	UNIVERSITY					
	Enrollment	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
				#	%	
Undergraduate (In State)	41,871	41,568	303	0.7%	41,779	
Undergraduate (Out of State)	9,714	9,641	73	0.8%	9,037	
<b>Total Undergraduate</b>	<b>51,584</b>	<b>51,209</b>	<b>376</b>	<b>0.7%</b>	<b>50,816</b>	
Graduate (In State)	6,414	6,336	78	1.2%	6,388	
Graduate (Out of State)	6,587	6,435	152	2.4%	6,129	
<b>Total Graduate</b>	<b>13,001</b>	<b>12,771</b>	<b>230</b>	<b>1.8%</b>	<b>12,517</b>	
<b>Total Enrollment</b>	<b>64,586</b>	<b>63,980</b>	<b>606</b>	<b>0.9%</b>	<b>63,333</b>	



It is important to note that enrollment can be viewed in several ways including but not limited to headcount, Fall FTE and annualized FTE. For the purposes of the budget presentation, the University utilizes the Fall FTE view as published in the annual student profile. The full report of the [Annual Student Profile](#) provides definitions of the various views of enrollment and can be found here: <http://www.massachusetts.edu/ir/irannualpublications.html>





**FY18 University Operating Budget**  
**July 17, 2017**

<i>(\$ in Thousands)</i>					
<b>UNIVERSITY</b>					
<b>Revenues</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>\$</b>	<b>%</b>	<b>FY2016</b>
Gross Tuition & Fees	1,184,029	1,135,848	48,182	4.2%	1,070,840
Tuition Discounts	(300,484)	(284,855)	(15,629)	5.5%	(244,025)
Net Tuition & Fees	883,545	850,993	32,553	3.8%	826,815
State	728,222	720,518	7,704	1.1%	669,748
Grants	563,465	529,528	33,937	6.4%	528,352
Auxiliary Enterprises	413,397	397,323	16,075	4.0%	383,281
Independent Business Lines (1)	349,295	355,444	(6,149)	-1.7%	356,215
Sales & Service, Educational	32,059	31,566	493	1.6%	27,500
Other Operating	195,311	192,315	2,996	1.6%	281,333
Other Non-Operating	175,969	173,428	2,541	1.5%	173,013
<b>Total Revenues (2)</b>	<b>3,341,264</b>	<b>3,251,115</b>	<b>90,149</b>	<b>2.8%</b>	<b>3,246,257</b>
<i>(1) Revenues associated with UMMS Commonwealth Medicine and MassBiologics.</i>					
<i>(2) Operating Margin calculation does not include unrealized gains which are included in Total Revenues above.</i>					
<b>UNIVERSITY</b>					
<i>(\$ in Thousands)</i>					
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>\$</b>	<b>%</b>	<b>FY2016</b>
Salaries & Fringe	1,927,127	1,873,106	54,022	2.9%	1,779,495
Non-personnel	965,061	932,413	32,648	3.5%	1,075,748
Scholarships and fellowships	46,795	43,218	3,577	8.3%	44,645
Depreciation	272,172	258,736	13,436	5.2%	240,865
Interest	117,347	115,401	1,946	1.7%	105,276
<b>Total Expenses</b>	<b>3,328,501</b>	<b>3,222,873</b>	<b>105,628</b>	<b>3.3%</b>	<b>3,246,029</b>
<b>Operating Margin</b>					
UMass OM Calc Revenues	3,333,968	3,243,431	90,537	2.8%	3,252,580
Total Expenses	3,328,501	3,222,873	105,628	3.3%	3,246,029
<b>Surplus / (Deficit)</b>	<b>5,467</b>	<b>20,558</b>	<b>(15,091)</b>		<b>6,551</b>
<b>UMass OM Calc</b>	<b>0.2%</b>	<b>0.6%</b>			<b>0.2%</b>



**FY18 University Operating Budget**  
**July 17, 2017**

Key Indicators	Budget	Forecast	\$		Actual
	FY2018	FY2017	FY2018	FY2017	
Operating Margin (& Surplus/Deficit)	0.2%	0.6%	5,467	20,558	0.2%
Debt Ratio (& Debt P&I)	6.5%	6.6%	216,637	213,372	6.4%
Primary Reserve (& Unrestricted Net Assets)	23.8%	25.7%	793,026	829,376	16.9%
<b>(Student FTEs)</b>					
<b>UNIVERSITY</b>					
Enrollment	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	
Undergraduate (In State)	41,871	41,568	303	0.7%	41,779
Undergraduate (Out of State)	9,714	9,641	73	0.8%	9,037
<b>Total Undergraduate</b>	<b>51,584</b>	<b>51,209</b>	<b>376</b>	<b>0.7%</b>	<b>50,816</b>
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Graduate (Out of State)	6,587	6,435	152	2.4%	6,129
<b>Total Graduate</b>	<b>13,001</b>	<b>12,771</b>	<b>230</b>	<b>1.8%</b>	<b>12,517</b>
<b>Total Enrollment</b>	<b>64,586</b>	<b>63,980</b>	<b>606</b>	<b>0.9%</b>	<b>63,333</b>
<b>(Employee FTEs)</b>					
<b>UNIVERSITY</b>					
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	
<b>Grant Funded (Restricted)</b>					
Faculty	332.5	317.5	15.0	4.7%	312.3
Professional	1,275.0	1,198.0	77.0	6.4%	1,174.9
Classified	251.9	242.9	9.0	3.7%	234.0
<b>Total Restricted</b>	<b>1,859.4</b>	<b>1,758.4</b>	<b>101.0</b>	<b>5.7%</b>	<b>1,721.2</b>
<b>Unrestricted</b>					
Faculty	3,886.1	3,862.9	23.3	0.6%	3,870.3
Professional	5,338.0	5,364.5	(26.5)	-0.5%	5,365.1
Classified	3,755.9	3,739.9	16.0	0.4%	3,743.0
<b>Total Unrestricted</b>	<b>12,980.0</b>	<b>12,967.3</b>	<b>12.8</b>	<b>0.1%</b>	<b>12,978.4</b>
<b>Total Faculty &amp; Staff</b>	<b>14,839.4</b>	<b>14,725.7</b>	<b>113.7</b>	<b>0.8%</b>	<b>14,699.6</b>



# APPENDIX



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<sup>1</sup> Please note the sections outlined under the Amherst Campus will be outlined for each of the other campuses.



# AMHERST CAMPUS



***FY18 Campus Budget Overview***

The University of Massachusetts Amherst submits for approval a Fiscal Year 2018 operating budget totaling \$1.239 billion. Key elements of the FY18 budget include:

- State Appropriation flat. No other appropriation increases.
- Tuition and Fee increases of 3% for in-state undergraduate students. The increase would be \$440 for a total tuition cost of \$15,030.
- Tuition and Fee increases of 4% for out-of-state undergraduate students in FY18. The increase would be \$1,273 for a total tuition cost of \$33,096.
- Undergraduate student enrollment increase of 130 students. This increase includes an increase in undergraduate students in general as well as targeted enrollment increases due to our new BioMedical Engineering program and expansion of Computer Sciences majors.
- Modest increase in Continuing Professional Education (CPE) program revenues providing key non-state support to the core academic areas.
- 3% increase to Room & Board rates. This would increase the average rate by \$361 for a total rate of \$12,258.
- Significant increases in depreciation and interest as major capital projects come on-line including South College Academic Facility, Design Building and the Mass Life Sciences equipment and fit-out.
- Campus spending of \$45 million to address deferred maintenance.
- Modest research growth of 2.8%, despite tightening government research budgets.
- Modest investment in faculty in key areas (10 tenure track and 5 lecturers) to offset prior-year losses in total faculty FTEs, the result of unfilled vacancies. New faculty hires are targeted to reduce instructional stress points and fulfill the needs created by new programs such as the Institute of Applied Life Sciences (IALS) and the Center for Data Science.
- No additional staff increases. E&E initiatives have reduced staff numbers in some areas, allowing us to reallocate resources to satisfy staff hiring needs in areas such as student supports services, operations and maintenance of new buildings and research support services.
- Increases in financial aid packages, both need-based aid to in-state students to maintain our percentage of need met, and merit based aid to attract additional out-of-state students.
- Slowdown of our recent progress in controlling class size and expanding smaller, team-based courses in the upper division.

***Campus Strategic Plan***

In concert with the UMass system office and the Board of Trustees, over the past five years the Amherst campus has put in place a strategic plan to move the campus in the direction the state and its student deserve. That plan has three broad goals:

- Provide a distinctive, immersive residential educational experience that will establish the campus as the destination of choice for talented students seeking exceptional educational value.
- Broaden and deepen collaboration with key state, regional and national partners to be the natural investment of choice in emerging areas of research, scholarship and economic development.
- Mobilize resources — both on campus and with partners — to drive high-impact changes related to the first two goals.

Over this period, the campus has been able to achieve impressive progress despite the fact that non-discretionary expenditures for financial aid, debt service, and salary increases have consumed most of our revenue. Through careful investment, reallocation of resources and aggressive E&E undertakings we've earned the following achievements:

- UMass Amherst is now ranked 27<sup>th</sup> best public university in the country by US News and World Report, reflecting a remarkable surge in attractiveness and competitiveness. Over ten years UMass Amherst overtook 30 other institutions to become the most-improved public university in America.
- In FY16 campus research expenditures topped \$214 million. The partnership with the Massachusetts Life Sciences Center has positioned our Institute for Applied Life Sciences (IALS) to project the power of campus research programs into a broad range of industries and applications, and other efforts such as the Center for Data Science and the Cyber Security Institute also support areas vital to the Commonwealth's continued strength.

This comprehensive approach to planning enables the campus to take a broad view to financial restructuring in an era of rapidly shifting revenues and expenditures. All budgetary decisions now occur in the context of a new planning and budgeting system developed over the past two years:

- All academic and administrative units target performance improvements emerging from multi-year strategic plans.
- Unit priorities are discussed across organizational boundaries to improve collaboration and efficiency.
- Specific action plans for the fiscal year focus on both improvements to be pursued within existing resources and high-impact strategic investments pooling resources at the unit and campus levels.

Despite the constraints of the attached FY18 budget, modest additional funding is included to support the following strategic initiatives:

- Programs to support the Institute for Applied Life Sciences (IALS) and the Center for Data Science. Both initiatives facilitate high quality education, research and industrial collaboration, which will drive job creation and economic development.

- Additional faculty in FY18 including additional lecturers to address class size and academic stress areas (a continuation of the President’s enhancement initiatives) and faculty hires to support the campus commitment to a diverse faculty body through the continued funding of the CHIP initiative.
- Funds to address the \$1.6 billion deferred maintenance backlog, although at reduced levels due to reductions in state funding and institutional facilities budgets.

There is a sharp focus on administrative efficiency and effectiveness. A Joint Subcommittee on Administrative Costs and Services (JSACS) is leading a comprehensive review of all administrative and support (A&S) areas. A campus-wide process is identifying priorities for evaluation and will review performance metrics for all areas. As priorities are identified, tailored evaluation strategies (customer feedback, benchmarking, best practices, etc.) will identify changes with the greatest potential for improving quality and/or cost. The additional challenge of maintaining a positive operating margin, however, imposes an extraordinary budget burden. As a result, the campus must take the following actions to reduce expenditures in FY18:

- As part of the campus’ strategic budget process all current faculty vacancies are analyzed to determine whether reallocation between schools/college would better ease academic stress or support strategic goals.
- Reduce budgets for faculty facilities renovation and fit-out, impacting the ability of the campus to attract STEM faculty hires.
- Reduce budgets for the campus conversion of large lecture courses to smaller, intensive team based learning sections (President’s Enhancement Initiative), affecting learning outcomes and student satisfaction.
- Reduce budgets for repair and refurbishment of facilities, slowing progress towards reducing the campus deferred maintenance backlog. This action is concerning as 75% of our current \$1.6 billion deferred backlog represents immediate needs in a one to three year timeframe.
- Staff vacancies will be reviewed, rehiring only in areas of critical importance. Management in some areas will be reorganized, including operations and maintenance, which is keeping staff numbers flat despite the addition of new facilities. These actions will affect both academic and administrative and support services provided to students and staff throughout the campus.
- Limit financial aid increases to only that amount needed to maintain our current percentage of need met (84%).

### ***FY18 Revenue***

- State Appropriation revenue projected to be flat. No other appropriation increases.
- Tuition & Fee revenue is increasing due to a 3% fee increase for in-state undergraduate students and a 4% increase for out-of-state undergraduate students, as well as a projected increase in undergraduates of 130 students.

- 0.5% of the in-state undergraduate tuition increase will be used to enhance the student experience in laboratories, classrooms, performance venues, communication studios and other facilities that have seen increases in operating and maintenance costs. The campus will increase need-based financial aid budgets accordingly for this additional tuition increase per our commitment to access for all students.
- Room and Board charges are projected to increase by 3%.
- Research revenue is expected to increase by \$4.3 million, or 2.8%, even in light of tightening government research budgets.

**In-State Undergraduate Tuition & Mandatory Fees**

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$14,971	\$15,411	\$440	2.9%

**FY18 Expenditures**

- Salary expense increase due to FY17 mid-year salary increase (0% collective bargaining for FY18).
- Depreciation expense increases by \$10.5M (10%) due to new buildings coming on-line and purchases of research equipment.
- Increases in financial aid packages, both need-based aid to in-state students to maintain our percentage of need met and merit based aid to attract additional out-of-state students.
- Graduate waivers increase due to increased tuition and fee rates.
- Total expenses are relatively flat due to the implementation of a \$10.5 million budget cut as well as the continued savings resulting from E&E initiatives.

**FY18 Enrollment**

The campus continues on a strategic plan to modestly increase undergraduate enrollment, maintaining access for in-state students close to prior-year levels and targeting slight increases in out-of-state/international students who satisfy our increasingly selective admissions criteria.

- Undergraduate in-state students are projected to increase by 80 students in FY18, including projected increase for our new BioMedical Engineering program.
- Undergraduate out-of-state students are projected to increase by 50 students in FY18.
- Graduate students are projected to increase by 100 students in FY18.



FY18 University Operating Budget – Amherst Campus  
July 17, 2017

<i>(Student FTEs)</i>	AMHERST				
	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
			#	%	
<b>Enrollment</b>					
Undergraduate (In State)	18,048	17,968	80	0.4%	17,503
Undergraduate (Out of State)	5,525	5,475	50	0.9%	5,439
<b>Total Undergraduate</b>	<b>23,573</b>	<b>23,443</b>	<b>130</b>	<b>0.6%</b>	<b>22,942</b>
Graduate (In State)	1,722	1,697	25	1.5%	1638.1
Graduate (Out of State)	3,275	3,200	75	2.3%	3116.7
<b>Total Graduate</b>	<b>4,997</b>	<b>4,897</b>	<b>100</b>	<b>2.0%</b>	<b>4,755</b>
<b>Total Enrollment</b>	<b>28,570</b>	<b>28,340</b>	<b>230</b>	<b>0.8%</b>	<b>27,696</b>

**FY18 Staffing**

Overall staffing increases are projected to be very modest in FY18:

- We are projecting a modest increase in faculty, driven by filling positions that were previously held vacant. These faculty hires will fulfill needs created by new programs such as the Institute of Applied Life Sciences (IALS) and the Center for Data Science and will alleviate areas of instructional stress.
- No increase in staff, despite adding new facilities to the campus.
- The campus will utilize its strategic budget planning process to shift resources between schools/colleges or administrative departments in order to meet critical campus staffing needs with level or reduced department funding. E&E efforts have freed-up administrative staffing resources to address hiring needs to support student services, operations and maintenance of new buildings as well as research support.

<i>(Employee FTEs)</i>	AMHERST				
	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
			#	%	
<b>Faculty &amp; Staff</b>					
<b>Restricted</b>					
Faculty	42.0	42.0	-	0.0%	42.0
Professional	170.0	170.0	-	0.0%	170.0
Classified	77.0	77.0	-	0.0%	77.0
<b>Total Restricted</b>	<b>289.0</b>	<b>289.0</b>	<b>-</b>	<b>0.0%</b>	<b>289.0</b>
<b>Unrestricted</b>					
Faculty	1,512.1	1,497.1	15.0	1.0%	1,467.0
Professional	1,600.3	1,600.3	-	0.0%	1,600.2
Classified	2,127.4	2,127.4	-	0.0%	2,125.5
<b>Total Unrestricted</b>	<b>5,239.8</b>	<b>5,224.8</b>	<b>15.0</b>	<b>0.3%</b>	<b>5,192.7</b>
<b>Total Faculty &amp; Staff</b>	<b>5,528.8</b>	<b>5,513.8</b>	<b>15.0</b>	<b>0.3%</b>	<b>5,481.7</b>

**FY18 Programs – Planned changes**

- The budget allocates resources to continue building programs to support the Institute for Applied Life Sciences (IALS) and the Center for Data Science. Both initiatives facilitate high quality education, research and industrial collaboration which will drive job creation and economic development.
- The budget dedicates new resources to building a new program in Biomedical Engineering. This undergraduate, masters and doctoral level program is a collaboration with the School of Medicine and is a program of growing interest to students. The program will be co-located on the UMass Amherst and UMass Medical School campuses.
- As previously mentioned, in order to achieve operating margin targets, limited new campus funds are available for new strategic initiatives. However, a robust campus strategic budget planning process will allow schools and colleges as well as administrative departments to reallocate existing resources to new and expanded programs that address campus strategic priorities.

**Key Metrics**

- The Operating Margin declines slightly, primarily due to increases to depreciation expense as new projects come on-line.
- The Debt Ratio decreases slightly as operating expenses increase slightly more than the increase in interest expense in FY18.
- The Financial Cushion decreases slightly due to spending of unrestricted funds on capital improvements as part of the campus capital plan.

Key Indicators	Budget	Forecast	\$	\$	Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	0.3%	1.4%	4,006	16,488	4.1%
Debt Ratio (& Debt P&I)	6.5%	6.6%	80,202	78,540	6.4%
Primary Reserve (& Unrestricted Net Assets)	25.0%	26.6%	309,379	318,474	28.9%

**Campus E&E Efforts**

The Amherst campus has aggressively pursued cost savings and revenue enhancements in all aspects of its operations. Over the past few years, a total of \$44 million has been saved/avoided in such areas as Purchasing, Energy & Sustainability, IT, HR Processes, and Space/Building. The campus has completed E&E projects that have resulted in over \$18 million in cost savings and avoidance in FY16 and an additional \$27 million in total cost savings expected in FY17-21. Recent examples of E&E projects are:

- Use of the competitive bidding process has resulted in significant cost savings and avoidance. The IT department negotiated with a variety of vendors to obtain the most value out of contracted goods and services of \$7 million.

- The Facilities and Campus Services division has continued to utilize in-house expertise to reduce the significant capital project and utility costs of \$2 million. Savings include using in-house engineers and architects, new commodity purchasing contracts to take advantage of falling utility prices, and consolidation of various operations to increase labor productivity.
- The campus initiated cost reductions in administrative and support functions that has led to an additional \$5 million of savings in FY17. Vacancies are assessed prior to hiring by campus departments, positions are being consolidated, administrative duties are being shared and a reduced frequency of services.

***Campus Budget Reductions***

Despite the E&E efforts, a total of \$13.5 million in campus-wide base budget reductions have been necessary in the past three years in order to close budget gaps. In large part, these cuts have served to fund the state's \$13 million outstanding obligation for unfunded collective bargaining increases from the FY15-17 union contracts as well as a lack of state funding for deferred maintenance projects. We have also been compelled to use our dwindling campus reserves to work toward our goals in the face of our massive fixed expenditure obligations. We are at the point, however, where we have little remaining cushion.

Our base case, which assumes no collective bargaining increases and a 3% increase in in-state tuition rates, will still require a \$10.5 million budget reduction in FY18 if we are to meet our target of a break-even operating margin. Additional cuts would surely send us quickly and decisively in the wrong direction, with far-reaching and long-lasting consequences.

***Conclusion***

The lack of increased funding from the state forces the university to raise Tuition & Fees 3% for in-state undergraduate students and 4% for out-of-state undergraduate students in FY18, following two consecutive years of annual increases over 5%. The Tuition & Fees increases are necessary to cover the growth in capital related expenses and the state negotiated collective bargaining increases, if any. In addition, a \$10.5 million budget cut will be implemented across all units in order to keep a positive operating margin. Other inflationary pressures are offset by E&E efforts. This budget leaves the campus with very limited resources to implement new strategic initiatives, allowing us to maintain current quality and merely keep pace with our competitors.

**Attachments:**

- Campus Budget One-Sheet
- Tuition & Fee Schedule





FY18 University Operating Budget – Amherst Campus  
July 17, 2017

*(\$ in Thousands)*

Revenues	AMHERST				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	FY2016
Gross Tuition & Fees	531,479	511,356	20,124	3.9%	366,191
Tuition Discounts	(145,412)	(137,086)	(8,326)	6.1%	(114,881)
Net Tuition & Fees	386,068	374,270	11,798	3.2%	366,191
Grants	153,142	148,800	4,342	2.9%	145,217
Sales & Service, Educational	9,509	9,231	278	3.0%	8,935
Auxiliary Enterprises	259,773	252,251	7,522	3.0%	241,428
Other Operating	19,072	18,804	268	1.4%	22,413
State appropriations (including fringe)	350,009	345,605	4,404	1.3%	319,541
Other NonOperating (excl. interest)	70,697	69,009	1,688	2.4%	70,716
<b>Total Revenues</b>	<b>1,248,270</b>	<b>1,217,970</b>	<b>30,300</b>	<b>2.5%</b>	<b>1,174,441</b>

Expenses					
Salaries & Fringe	731,274	713,938	17,336	2.4%	676,474
Non-personnel	334,783	322,129	12,654	3.9%	308,850
Scholarships and fellowships	16,157	14,500	1,657	11.4%	14,452
Depreciation	118,802	108,262	10,540	9.7%	96,614
Interest	38,361	37,779	582	1.5%	32,417
<b>Total Expenses</b>	<b>1,239,377</b>	<b>1,196,608</b>	<b>42,769</b>	<b>3.6%</b>	<b>1,128,807</b>

Operating Margin					
UMass OM Calc Revenues	1,243,383	1,213,096	30,287	2.5%	1,176,957
Total Expenses	1,239,377	1,196,608	42,769	3.6%	1,128,807
<b>Surplus / (Deficit)</b>	<b>4,006</b>	<b>16,488</b>	<b>(12,482)</b>		<b>48,150</b>
UMass OM Calc	0.3%	1.4%			4.1%

Key Indicators	Budget	Forecast	\$		Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	0.3%	1.4%	4,006	16,488	4.1%
Debt Ratio (& Debt P&I)	6.5%	6.6%	80,202	78,540	6.4%
Primary Reserve (& Unrestricted Net Assets)	25.0%	26.6%	309,379	318,474	28.9%

*(Student FTEs)*

Enrollment	AMHERST				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	FY2016
Undergraduate (In State)	18,048	17,968	80	0.4%	17,503
Undergraduate (Out of State)	5,525	5,475	50	0.9%	5,439
<b>Total Undergraduate</b>	<b>23,573</b>	<b>23,443</b>	<b>130</b>	<b>0.6%</b>	<b>22,942</b>
Graduate (In State)	1,722	1,697	25	1.5%	1638.1
Graduate (Out of State)	3,275	3,200	75	2.3%	3116.7
<b>Total Graduate</b>	<b>4,997</b>	<b>4,897</b>	<b>100</b>	<b>2.0%</b>	<b>4,755</b>
<b>Total Enrollment</b>	<b>28,570</b>	<b>28,340</b>	<b>230</b>	<b>0.8%</b>	<b>27,696</b>

*(Employee FTEs)*

Faculty & Staff	AMHERST				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	FY2016
<b>Restricted</b>					
Faculty	42.0	42.0	-	0.0%	42.0
Professional	170.0	170.0	-	0.0%	170.0
Classified	77.0	77.0	-	0.0%	77.0
<b>Total Restricted</b>	<b>289.0</b>	<b>289.0</b>	<b>-</b>	<b>0.0%</b>	<b>289.0</b>
<b>Unrestricted</b>					
Faculty	1,512.1	1,497.1	15.0	1.0%	1,467.0
Professional	1,600.3	1,600.3	-	0.0%	1,600.2
Classified	2,127.4	2,127.4	-	0.0%	2,125.5
<b>Total Unrestricted</b>	<b>5,239.8</b>	<b>5,224.8</b>	<b>15.0</b>	<b>0.3%</b>	<b>5,192.7</b>
<b>Total Faculty &amp; Staff</b>	<b>5,528.8</b>	<b>5,513.8</b>	<b>15.0</b>	<b>0.3%</b>	<b>5,481.7</b>

**UNIVERSITY OF MASSACHUSETTS, AMHERST**

**STUDENT TUITION & FEE SCHEDULES**

FY 2018 TUITION & MANDATORY FEES

FY 2018 NON-MANDATORY FEES

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

FY 2018 TUITION & MANDATORY FEES

SUMMARY TABLE

	FY2016 Actual	FY2016 TR Effect	FY2017 Actual	FY2018 Proposed	\$ Change FY17-FY18	% Change FY17-FY18
<b>UNDERGRADUATE</b>						
TUITION						
Undergraduate (resident)	\$1,714	\$13,790	\$14,590	\$15,030	\$440	3.0%
Undergraduate (regional)	\$3,000	\$23,186	\$24,886	\$26,159	\$1,273	5.1%
Undergraduate (non-resident)	\$9,937	\$30,123	\$31,823	\$33,096	\$1,273	4.0%
CURRICULUM FEE						
Undergraduate (resident)	\$9,970	\$0	\$0	\$0	\$0	0.0%
Undergraduate (regional)	\$18,080	\$0	\$0	\$0	\$0	0.0%
Undergraduate (non-resident)	\$18,080	\$0	\$0	\$0	\$0	0.0%
MANDATORY FEES						
Undergraduate Service Fee	\$1,419	\$0	\$0	\$0	\$0	0.0%
Undergraduate Health Fee	\$687	\$0	\$0	\$0	\$0	0.0%
Shared Infrastructure Technology Fee	\$250	\$250	\$250	\$250	\$0	0.0%
Student Activities	\$131	\$131	\$131	\$131	\$0	0.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Undergraduate (resident)	\$14,171	\$14,171	\$14,971	\$15,411	\$440	2.9%
Undergraduate (regional)	\$23,567	\$23,567	\$25,267	\$26,540	\$1,273	5.0%
Undergraduate (non-resident)	\$30,504	\$30,504	\$32,204	\$33,477	\$1,273	4.0%
RESIDENTS ONLY						
<b>Rent and Residential Telecommunications</b>	\$6,442	\$6,442	\$6,659	<b>\$6,862</b>	<b>\$203</b>	<b>3.0%</b>
<b>Board</b>	<u>\$5,061</u>	<u>\$5,061</u>	<u>\$5,238</u>	<u><b>\$5,396</b></u>	<u><b>\$158</b></u>	<u><b>3.0%</b></u>
<b>TOTAL RENT, TELCOM, BOARD</b>	\$11,503	\$11,503	\$11,897	<b>\$12,258</b>	<b>\$361</b>	<b>3.0%</b>
<b>TOTAL TUITION AND ROOM &amp; BOARD</b>						
Undergraduate (resident)	\$25,674	\$25,674	\$26,868	\$27,669	\$801	3.0%
Undergraduate (regional)	\$35,070	\$35,070	\$37,164	\$38,798	\$1,634	4.4%
Undergraduate (non-resident)	\$42,007	\$42,007	\$44,101	\$45,735	\$1,634	3.7%
<b>GRADUATE</b>						
TUITION						
Graduate (resident)	\$2,640	\$12,782	\$13,524	\$13,930	\$406	3.0%
Graduate (regional)	\$4,620	\$22,685	\$24,327	\$25,216	\$889	3.7%
Graduate (non-resident)	\$9,937	\$28,002	\$29,644	\$30,533	\$889	3.0%
CURRICULUM FEE						
Graduate (resident)	\$10,142	\$0	\$0	\$0	\$0	0.0%
Graduate (regional)	\$18,065	\$0	\$0	\$0	\$0	0.0%
Graduate (non-resident)	\$18,065	\$0	\$0	\$0	\$0	0.0%
MANDATORY FEES						
Graduate Service Fee	\$1,165	\$1,165	\$1,233	\$1,270	\$37	3.0%
Graduate Health Fee	\$687	\$687	\$727	\$749	\$22	3.0%
<b>Graduate Student Senate Fee</b>	\$120	\$120	\$129	<b>\$138</b>	<b>\$9</b>	<b>7.0%</b>
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Graduate (resident)	\$14,754	\$14,754	\$15,613	\$16,087	\$474	3.0%
Graduate (regional)	\$24,657	\$24,657	\$26,416	\$27,373	\$957	3.6%
Graduate (non-resident)	\$29,974	\$29,974	\$31,733	\$32,690	\$957	3.0%

**FY 2018 NON-MANDATORY FEES**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
Commonwealth College Welcome Weekend Orientation (in AIA Fund)	\$90.00	\$90.00	\$90.00	\$0.00	0.0%
Campus Fee Fund :					
<b>Continuing Ed Campus Fee / per credit</b>	\$208.00	\$216.00	<b>\$221.00</b>	<b>\$5.00</b>	<b>2.3%</b>
Undergraduate Entering <i>(moved to New Student Enrollment Fee in FY17)</i>	\$185.00	\$0.00	\$0.00	N/A	N/A
Stockbridge Entering <i>(moved to New Student Enrollment Fee in FY17)</i>	\$77.00	\$0.00	\$0.00	N/A	N/A
Graduate Entering	\$357.00	\$357.00	\$357.00	\$0.00	0.0%
Undergraduate Senior Status	\$110.00	\$110.00	\$110.00	\$0.00	0.0%
Commonwealth College Fee (annual)	\$600.00	\$600.00	\$600.00	\$0.00	0.0%
New Student Enrollment Fee:					
Undergraduate	N/A	\$485.00	\$485.00	N/A	N/A
Undergraduate - Stockbridge	N/A	\$377.00	\$377.00	N/A	N/A
Undergraduate - Transfer	N/A	\$385.00	\$385.00	N/A	N/A
Career Services:					
Credentials Packet (Undergraduate)	\$2.00	\$2.00	\$2.00	\$0.00	0.0%
Credentials Packet (Graduate)	\$3.00	\$3.00	\$3.00	\$0.00	0.0%
Communication Network Services (formerly Telecommunications):					
Family Housing Tenants (per month)	\$30.00	\$30.00	\$30.00	\$0.00	0.0%
Summer Telephone Fee (per month)	\$30.00	\$30.00	\$30.00	\$0.00	0.0%
Summer CE Telephone Fee (per session)	\$30.00	\$30.00	\$30.00	\$0.00	0.0%
Computer Science Computing Facility:					
Computer Account for CE Courses (per semester)	\$45.00	\$45.00	\$45.00	\$0.00	0.0%
<b>Domestic Exchange:</b>					
Outgoing Application	\$230.00	\$230.00	\$230.00	\$0.00	0.0%
<b>Incoming Orientation</b>	\$110.00	\$110.00	<b>\$150.00</b>	<b>\$40.00</b>	<b>36.4%</b>
Post Conference Application	\$300.00	\$300.00	\$300.00	\$0.00	0.0%
Engineering Fee (annual)					
Undergraduate:					
12+ Credits	\$830.00	\$830.00	\$830.00	\$0.00	0.0%
6-11 credits	\$570.00	\$570.00	\$570.00	\$0.00	0.0%
1-5 Credits	\$310.00	\$310.00	\$310.00	\$0.00	0.0%
Graduate:					
5+ Credits	\$830.00	\$830.00	\$830.00	\$0.00	0.0%
1-4 Credits	\$440.00	\$440.00	\$440.00	\$0.00	0.0%
Graduate Registrar Fees:					
Continuous Enrollment Fee ( was Program Fee)	\$275.00	\$275.00	\$275.00	\$0.00	0.0%
Readmission Fee	\$125.00	\$125.00	\$125.00	\$0.00	0.0%
Doctoral Hoods	\$65.00	\$65.00	\$65.00	\$0.00	0.0%
<b>Graduate Student Senate</b>					
<b>Graduate Student Senate Fee (Continuous Enrollment Students)</b>	\$60.00	\$64.50	<b>\$69.00</b>	\$4.50	7.0%
Horseback Riding Program (per semester)	\$800.00	\$880.00	\$880.00	\$0.00	0.0%

**FY 2018 NON-MANDATORY FEES**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
<b>Humanities &amp; Fine Arts Course Fees</b>					
Art Studio Course Fee (PER COURSE)	\$0.00	\$0.00	\$0 - \$170	N/A	N/A
Music Studio Lessons Course Fee: Majors (PER COURSE)	\$0.00	\$0.00	\$425.00	N/A	N/A
Music Studio Lessons Course Fee: Non-Majors (PER COURSE)	\$0.00	\$0.00	\$325.00	N/A	N/A
<b>International Programs:</b>					
<b>Registration Fee (UMass &amp; Non-UMass programs) / semester</b>	\$750.00	\$750.00	<b>\$850.00</b>	\$100.00	13.3%
Application Fee	\$50.00	\$50.00	\$50.00	\$0.00	0.0%
Range of Exchanges (annual)	\$100-\$32,000	\$100-\$32,000	\$100-\$32,000	\$0.00	0.0%
American Culture & Language Program Fee	\$75.00	\$75.00	\$75.00	\$0.00	0.0%
American Culture & Language Program Fee (incl. TOEFL Test)	\$150.00	\$150.00	\$150.00	\$0.00	0.0%
Trip & Excursion Fee for International Students	\$5 - \$100	\$5 - \$100	\$5 - \$100	\$0.00	0.0%
Student Orientation Fee - Fall	\$75.00	\$75.00	\$75.00	\$0.00	0.0%
Student Orientation Fee - Spring	\$50.00	\$50.00	\$50.00	\$0.00	0.0%
Student Orientation Fee with Optional Room & Board	\$200.00	\$200.00	\$200.00	\$0.00	0.0%
Special Programs Fee	\$100.00	\$100.00	\$100.00	\$0.00	0.0%
<b>Summer Registration Fee</b>	\$250.00	\$250.00	<b>\$350.00</b>	<b>\$100.00</b>	<b>40.0%</b>
Student Services Fee (per semester) *	\$100.00	\$100.00	\$100.00	\$0.00	0.0%
Isenberg School of Management Fee (annual)					
Undergraduate					
12+ Credits	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00	0.0%
6-11 credits	\$690.00	\$690.00	\$690.00	\$0.00	0.0%
1-5 Credits	\$375.00	\$375.00	\$375.00	\$0.00	0.0%
Lab Fees					
Undergraduate Course Lab Fee	\$95.00	\$95.00	\$95.00	\$0.00	0.0%
New Student Orientation					
Freshmen ( <i>moved to New Student Enrollment Fee in FY17</i> )	\$300.00	\$0.00	\$0.00	N/A	N/A
Transfers ( <i>moved to New Student Enrollment Fee in FY17</i> )	\$200.00	\$0.00	\$0.00	N/A	N/A
Registrar Services					
Readmission Fee	\$60.00	\$60.00	\$60.00	\$0.00	0.0%
College of Nursing Undergraduate Course Fee (per credit)	N/A	\$75.00	\$75.00	\$0.00	0.0%
Student Health					
BASICS I (first offense)	\$100.00	\$100.00	\$100.00	\$0.00	0.0%
BASICS II (second offense)	\$175.00	\$175.00	\$175.00	\$0.00	0.0%
Student Health Benefit Plan					
Undergraduate Student Per Semester Plan (6 months)	\$1,055.00	\$705.00	TBD	\$0.00	0.0%
Graduate Student Per Semester Plan (6 months)	\$1,530.00	\$1,355.00	TBD	\$0.00	0.0%
Family Per Semester Plan (6 months)	\$3,000.00	\$3,000.00	TBD	\$0.00	0.0%

**FY 2018 NON-MANDATORY FEES**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
<b>UCard</b>					
<b>U Card Replacement (Lost/Stolen)</b>	\$25.00	\$25.00	<b>\$30.00</b>	<b>\$5.00</b>	<b>20.0%</b>
<b>U Card Replacement (Damaged)</b>	\$10.00	\$10.00	<b>\$15.00</b>	<b>\$5.00</b>	<b>50.0%</b>
<b>UWW Advising/Assessment:</b>					
Enrollment Fee	\$75.00	\$75.00	\$75.00	\$0.00	0.0%
Advising/semester	\$150.00	\$150.00	\$150.00	\$0.00	0.0%
Prior Learning (1-15 Credits)	\$800.00	\$800.00	\$800.00	\$0.00	0.0%
Prior Learning (16-18 Credits)	\$1,100.00	\$1,100.00	\$1,100.00	\$0.00	0.0%
Prior Learning (19-21 Credits)	\$1,400.00	\$1,400.00	\$1,400.00	\$0.00	0.0%
Prior Learning (22-25 Credits)	\$1,700.00	\$1,700.00	\$1,700.00	\$0.00	0.0%
Prior Learning (26-29 Credits)	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00	0.0%
Prior Learning (30+ Credits)	\$2,200.00	\$2,200.00	\$2,200.00	\$0.00	0.0%
Special Transcript Fee	\$75.00	\$75.00	\$75.00	\$0.00	0.0%

*\*Charged to degree seeking international students who are holders of F and J visas issued by the International Programs Office*

**FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
<b>Auxiliary Services</b>					
Basic Plan (224 meals per semester/annual)	\$5,061.00	\$5,238.00	<b>\$5,396.00</b>	<b>\$158.00</b>	<b>3.0%</b>
Unlimited Plan (annual rate)	\$5,586.00	\$5,782.00	<b>\$5,956.00</b>	<b>\$174.00</b>	<b>3.0%</b>
Platinum Plan (200 meals per semester)/annual	\$4,940.00	\$5,112.00	<b>\$5,266.00</b>	<b>\$154.00</b>	<b>3.0%</b>
Gold Plan (100 meals per semester) / annual	\$2,690.00	\$2,784.00	<b>\$2,868.00</b>	<b>\$84.00</b>	<b>3.0%</b>
Commuter Plan (65 meals per semester) / annual	\$1,560.00	\$1,614.00	<b>\$1,662.00</b>	<b>\$48.00</b>	<b>3.0%</b>
Commuter Plan (155 meals per semester) / annual	\$3,414.00	\$3,534.00	<b>\$3,640.00</b>	<b>\$106.00</b>	<b>3.0%</b>
Commuter On the Go (\$800 Dining \$ plus 5 Bonus)	\$1,600.00	\$1,600.00	\$1,600.00	\$0.00	0.0%
Unlimited Plus (unlimited DC access, \$500 dining)	\$5,954.00	\$6,162.00	<b>\$6,348.00</b>	<b>\$186.00</b>	<b>3.0%</b>
Summer/Winter YCMP (20 meals) *	\$215.00	\$218.00	<b>\$220.00</b>	<b>\$2.00</b>	<b>0.9%</b>
Kosher Surcharge	\$400.00	\$400.00	\$400.00	\$0.00	0.0%
Meal Plan Change Administrative Fee	\$250.00	\$250.00	\$250.00	\$0.00	0.0%
Early Arrival Meal Plan	\$53.00	\$55.00	\$55.00	\$0.00	0.0%
<b>Continuing Education</b>					
Recording Fee, CEU Credits	\$10.00	\$10.00	\$10.00	\$0.00	0.0%
Readmission Fee	\$60.00	\$60.00	\$60.00	\$0.00	0.0%
Credit/Recording Fee	\$100.00	\$100.00	\$100.00	\$0.00	0.0%
<b>Registration (credit)</b>	\$45.00	\$45.00	<b>\$47.00</b>	<b>\$2.00</b>	<b>4.4%</b>
Registration (non-credit)	\$6.00	\$6.00	\$6.00	\$0.00	0.0%
Entering Fee (CPE matriculated UG students)	\$135.00	\$135.00	\$135.00	\$0.00	0.0%
Matriculating Student On-Site (per credit)					
Undergraduate In-State	\$371.00	\$390.00	\$390.00	\$0.00	0.0%
Undergraduate Out-of-State	\$658.00	\$691.00	\$691.00	\$0.00	0.0%
Graduate In-State	\$438.00	\$460.00	\$460.00	\$0.00	0.0%
Graduate Out-of-State	\$750.00	\$788.00	\$788.00	\$0.00	0.0%
Non-Matriculating Student On-Site (per credit)					
Undergraduate	\$371.00	\$390.00	\$390.00	\$0.00	0.0%
Graduate	\$438.00	\$460.00	\$460.00	\$0.00	0.0%
On-Line (per credit)					
Undergraduate	\$371.00	\$390.00	\$390.00	\$0.00	0.0%
Graduate	\$438.00	\$460.00	\$460.00	\$0.00	0.0%
<b>Off Campus Special Programs (per credit) **</b>	\$100-\$900	\$100-\$900	<b>\$100-\$1,500</b>	<b>\$0-\$600</b>	<b>0%-66.6%</b>
Non-Matriculated Students Transcript Fee ****	\$6.00	\$6.00	\$6.00	\$0.00	0.0%
<b>CPE Nursing 2nd Bachelor Orientation Fee</b>	N/A	N/A	<b>\$100.00</b>	<b>N/A</b>	<b>N/A</b>
Thesis, Dissertation, Special Programs (per credit)	\$195.00	\$195.00	\$195.00	\$0.00	0.0%
Bad Check Charge	\$30.00	\$30.00	\$30.00	\$0.00	0.0%
Late Course Add Fee	\$60.00	\$60.00	\$60.00	\$0.00	0.0%



**FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
<b>Parking</b>					
All Students					
Green Lot	\$340.00	\$350.00	\$350.00	\$0.00	0.0%
Purple Lot	\$305.00	\$314.00	\$314.00	\$0.00	0.0%
Yellow Lot	\$248.00	\$255.00	\$255.00	\$0.00	0.0%
<b>Employees and GEO</b>					
Red Lot (Employee only)	\$126 - \$444	\$132 - \$467	\$137 - \$483	\$5-\$16	3.7%-3.4%
Blue Lot	\$88 - \$375	\$91 - \$394	\$94 - \$408	\$3-\$14	3.3%-3.5%
Green Lot	\$66 - \$225	\$68 - \$236	\$70 - \$245	\$2-\$9	2.9%-3.8%
Purple Lot	\$60-\$205	\$62-\$215	\$64-\$225	\$2-\$10	3.2%-4.6%
Yellow Lot	\$44 - \$70	\$46 - \$74	\$48 - \$78	\$2-\$4	4.3%-5.4%
<b>Other Permit Fees</b>					
Portable Permits	\$12.00	\$12.00	\$12.00	\$0.00	0.0%
<b>Residence Halls &amp; Family Housing:</b>					
Family Housing (rents are per month)					
<u>North Village:</u>					
1 Bedroom	\$791.00	\$815.00	\$839.00	\$24.00	2.9%
1 Bedroom Handicapped	\$791.00	\$815.00	\$839.00	\$24.00	2.9%
1 Bedroom IPO (furnished)	N/A	\$845.00	\$869.00	\$24.00	2.8%
1 Bedroom Handicapped (tenant not handicap)	\$811.00	\$835.00	\$859.00	\$24.00	2.9%
2 Bedroom	\$924.00	\$952.00	\$981.00	\$29.00	3.0%
2 Bedroom Handicapped	\$924.00	\$952.00	\$981.00	\$29.00	3.0%
2 Bedroom Handicapped (tenant not handicap)	\$944.00	\$972.00	\$1,001.00	\$29.00	3.0%
<u>Residence Halls</u>					
Standard Shared Room	\$6,190.00	\$6,407.00	\$6,599.00	\$192.00	3.0%
Single Room (includes Sylvan Double as Single)	\$8,232.00	\$8,520.00	\$8,776.00	\$256.00	3.0%
Sylvan Suite Singles	\$7,484.00	\$7,745.00	\$7,978.00	\$233.00	3.0%
Sylvan Suites Shared	\$5,627.00	\$5,825.00	\$5,999.00	\$174.00	3.0%

**FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
<b>North Apartments Single Room (9 months)</b>	\$11,346.00	\$11,743.00	<b>\$12,095.00</b>	<b>\$352.00</b>	<b>3.0%</b>
<b>Commonwealth Honors College Residential Complex</b>					
<b>Single Apartments</b>	\$11,446.00	\$11,843.00	<b>\$12,095.00</b>	<b>\$252.00</b>	<b>2.1%</b>
<b>Single Suites</b>	\$9,934.00	\$10,252.00	<b>\$10,532.00</b>	<b>\$280.00</b>	<b>2.7%</b>
<b>Shared Apartments</b>	\$8,606.00	\$8,905.00	<b>\$9,094.00</b>	<b>\$189.00</b>	<b>2.1%</b>
<b>Single Rooms</b>	\$9,031.00	\$9,319.00	<b>\$9,575.00</b>	<b>\$256.00</b>	<b>2.7%</b>
<b>Suite Shared</b>	\$7,469.00	\$7,708.00	<b>\$7,919.00</b>	<b>\$211.00</b>	<b>2.7%</b>
<b>Shared Rooms</b>	\$6,790.00	\$7,007.00	<b>\$7,199.00</b>	<b>\$192.00</b>	<b>2.7%</b>
<b><u>Lincoln Apartments</u></b>					
<b>Studio, Furnished (9 months)</b>	\$8,966.00	\$9,280.00	<b>\$9,558.00</b>	<b>\$278.00</b>	<b>3.0%</b>
<b>1 Bedroom, Furnished (9 months)</b>	\$10,388.00	\$10,752.00	<b>\$11,075.00</b>	<b>\$323.00</b>	<b>3.0%</b>
<b>2 Bedrooms, Furnished (9 months)</b>	\$8,313.00	\$8,604.00	<b>\$8,862.00</b>	<b>\$258.00</b>	<b>3.0%</b>
<b>Residential Telecommunications Fee</b>	\$252.00	\$252.00	<b>\$263.00</b>	<b>\$11.00</b>	<b>4.4%</b>
Cancellation Fee	\$100-\$500	\$100-\$500	\$100-\$500	\$0.00	0.0%
<b>Break Housing (add to rent)</b>	\$500.00	\$500.00	<b>\$600.00</b>	<b>\$100.00</b>	<b>20.0%</b>
<b><u>Daily and Summer Student Fees / Per Day</u></b>					
<b>Shared</b>	\$29.00	\$31.00	<b>\$31.40</b>	<b>\$0.40</b>	<b>1.3%</b>
<b>Shared Sylvan</b>	\$27.00	\$28.00	N/A	N/A	N/A
<b>Single Occupancy (including Sylvan Doub</b>	\$39.00	\$41.00	<b>\$41.80</b>	<b>\$0.80</b>	<b>2.0%</b>
<b>Single Sylvan</b>	\$36.00	\$37.00	N/A	N/A	N/A
Early Arrival Fee (per/diem)	\$50.00	\$50.00	\$50.00	\$0.00	0.0%
<b>Residence Halls Surcharges:</b>					
Expanded Single	\$400.00	\$400.00	\$400.00	\$0.00	0.0%
Double used for Single	\$1,200.00	\$1,600.00	\$1,600.00	\$0.00	0.0%
Triple used for Double	\$700.00	\$800.00	\$800.00	\$0.00	0.0%
Triple used for Single	\$1,400.00	\$1,600.00	\$1,600.00	\$0.00	0.0%
Quad used for Triple	\$700.00	\$800.00	\$800.00	\$0.00	0.0%
Quad used for Double	\$750.00	\$900.00	\$900.00	\$0.00	0.0%
Quad used for Single	\$1,500.00	\$1,600.00	\$1,600.00	\$0.00	0.0%
<b>Improper Room Checkout Fees:</b>					
During Academic Year, not during Opening Per	\$150.00	\$150.00	\$150.00	\$0.00	0.0%
During Early Arrival time period, Winter Sessio	\$175.00	\$175.00	\$175.00	\$0.00	0.0%
During Opening day and thereafter, Spring	\$250.00	\$250.00	\$250.00	\$0.00	0.0%
During Opening Week and thereafter, Spring	\$400.00	\$400.00	\$400.00	\$0.00	0.0%
Unauthorized Occupancy of Residence Hall Spa	\$150.00	\$150.00	\$150.00	\$0.00	0.0%

\* Summer Fees cross fiscal years: for example, FY17 fees are charged May through August 2017

\*\* A listing of the Off-Campus Special Continuing Education Programs with their respective per credit charges is available

\*\*\* Until FY2016 CPE students who matriculated prior to fall 2012 paid the non-matriculated transcript fee; beginning FY17 there will no longer be a charg

**FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
<b>Application Fee:</b>					
<b>Undergraduate</b>	\$75	\$75	<b>\$80</b>	<b>\$5</b>	<b>6.7%</b>
Graduate Instate	\$75	\$75	\$75	\$0	0.0%
Graduate Out-of-State	\$75	\$75	\$75	\$0	0.0%
Graduate International	\$75	\$75	\$75	\$0	0.0%
<b>Bursar Administrative Fees:</b>					
Student Bill Late Payment Fee	\$50	\$50	\$50	\$0	0.0%
Returned Check Fee	\$25	\$25	\$25	\$0	0.0%
<b>Engineering Computer Services:</b>					
Undergraduate & Graduate Computer Fee (Summer)	\$10	\$10	\$10	\$0	0.0%
<b>Student Activities:</b>					
Craft Center	\$7.00 - \$25.00	\$7.00 - \$25.00	\$7.00 - \$25.00	\$0	0.0%
Union Video Center	\$5.00 - \$40.00	\$5.00 - \$40.00	\$5.00 - \$40.00	\$0	0.0%
<b>Student Legal Services Office:</b>					
Stockbridge Student Pro-Rated Activities Fee	\$102.00	\$102.00	\$102.00	\$0	0.0%
Simple Wills & Trusts	\$50-\$200	\$50-\$200	\$50-\$200	\$0	0.0%
Contracts	\$25-\$200	\$25-\$200	\$25-\$200	\$0	0.0%
Settlement Demand Letters	\$25-\$200	\$25-\$200	\$25-\$200	\$0	0.0%
Durable Power of Attorney	\$25-\$50	\$25-\$50	\$25-\$50	\$0	0.0%
Health Care Proxy	\$25	\$25	\$25	\$0	0.0%
Power of Attorney	\$25-\$50	\$25-\$50	\$25-\$50	\$0	0.0%
Mediation & Arbitration (per hour)	\$25-\$50	\$25-\$50	\$25-\$50	\$0	0.0%
Referral Fee (\$150 min.)	15%-33.3%	15%-33.3%	15%-33.3%	\$0	0.0%
Litigation Services Flat Fee	\$100 - \$1,500	\$100 - \$1,500	\$100 - \$1,500	\$0	0.0%
Contingency Fee Litigation	25% - 33.3%	25% - 33.3%	25% - 33.3%	\$0	0.0%
Pro Se Court Pleadings & Documents	\$50 - \$750	\$50 - \$750	\$50 - \$750	\$0	0.0%
Separation Agreement	\$50 - \$750	\$50 - \$750	\$50 - \$750	\$0	0.0%
<b>Student Health:</b>					
<b>Summer Basic CE (6/1 - 7/31)</b>	\$432	\$454	<b>\$467</b>	<b>\$13</b>	<b>2.9%</b>
<b>Summer Basic CE - per Week</b>	\$54	\$57	<b>\$58</b>	<b>\$1</b>	<b>1.8%</b>
<b>Family Fall (8/1 - 1/31)</b>	\$1,146	\$1,203	<b>\$1,239</b>	<b>\$36</b>	<b>3.0%</b>
<b>Family Spring (2/1 - 7/31)</b>	\$1,146	\$1,203	<b>\$1,239</b>	<b>\$36</b>	<b>3.0%</b>
<b>Graduate &lt; 5 Credits per semester</b>	\$343.50	\$363.50	<b>\$374.50</b>	<b>\$11</b>	<b>3.0%</b>
<b>GEO &lt; 5 Credits per semester</b>	\$343.50	\$363.50	<b>\$374.50</b>	<b>\$11</b>	<b>3.0%</b>
<b>CE &gt; 3 credits / UWW / Program Fee per semester</b>	\$343.50	\$363.50	<b>\$374.50</b>	<b>\$11</b>	<b>3.0%</b>



# BOSTON CAMPUS



### ***FY18 Campus Budget Overview***

UMass Boston submits for approval a fiscal year 2018 (“FY18”) budget which reflects revenue of \$431.1 million and operating expenses of \$436.1 million. Key elements of the FY18 budget include:

- Enrollment (HCT) of 16,935, 88 students and 0.5% higher than last fall
- Annual tuition of \$13,503 for in-state undergraduate students, an average increase of \$393 and 3.0%
- Continuing transformation of the campus, with the public-private partnership residence hall project, Utility Corridor Roadway and Reconstruction (UCRR), renovation of existing academic buildings, and construction of a parking garage
- Continuing efficiency and effectiveness initiatives
- Targeted actions to address the structural deficit, reducing the operating margin deficit to -\$5.0 million and -1.2%

### ***Campus Strategic Plan***

UMass Boston’s strategic plan, *Fulfilling the Promise*, begins as follows:

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

The campus continues to aspire to these strategic goals, and in FY18 will focus on recalibrating activities to more closely align expense with expected revenue, and to ensure the financial health and stability of the institution in the long-term.



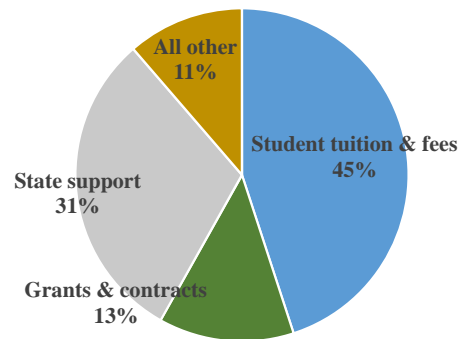
**FY18 Revenue**

In FY18, total revenue from all sources is projected to be \$431.1 million, an increase of \$8.8 million and 2.1% over prior year.

Student tuition and fee revenue (net) is projected to be \$194.5 million, an increase of \$5.7 million and 3.0% over prior year. Revenue growth is a function of tuition increases, \$4.7 million, and expected enrollment growth, \$0.6 million. Fee changes approved in April for online courses are expected to generate an additional \$0.5 million in FY18.

Consistent with prior trends, an increasing portion of total revenue is from student tuition and fees; in FY18 this revenue source will comprise 45% of total FY18 revenue.

Figure 1 Sources of Funds



Reported student tuition and fee revenue is net of waivers and local financial aid. The university's commitment to funding local financial aid continues, with \$25.5 million in the FY18 budget allocated to support local financial aid and \$26.3 million allocated to support waivers. Waiver increases for TAs/GAs has been limited to 2% growth in FY18 and the distribution of undergraduate financial aid will undergo a comprehensive review during the year. The average expected family contribution of the average UMass Boston in-state student last year was \$7,323, well below other UMass campuses. In FY17, over 5,900 students received some form of local financial aid, with 87% of undergraduate in-state students' need met through grants, scholarships, work study, and loans.

Sponsored grants and contracts activity is projected to be \$58.8 million, an increase of \$1.7 million and 3.0% over last year. A higher number of tenure-stream faculty and new research facilities in the Integrated Science Complex ("ISC") are supporting continued growth in sponsored activity.

State support is projected to be \$131.8 million, an increase of 1.4 million or 1.0%. The state appropriation is consistent with System Office guidance and reflects no collective bargaining increases. The fringe benefit rate used in the budget is 34.86%, consistent with System Office guidance.



### FY18 Expenditures

Total expense, including operating and interest expense, is projected to be \$436.1 million, an increase of \$3.9 million and 0.9%.

Compensation, including payroll and fringe benefit expense, is projected to be \$277.1 million, a decrease of \$4.0 million and 1.4% compared to prior year. The change reflects:

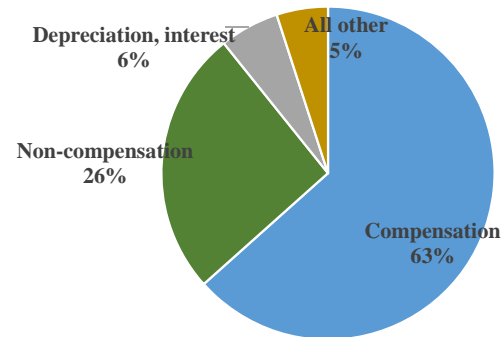
- fringe benefit costs due to higher rates, \$1.9 million
- new employment in support of strategic initiatives: 15 FTE for residential life and 24/7 campus, \$1.1 million; and 6 FTE net new tenure-stream faculty, \$0.4 million (salary and fringe benefits). Faculty were hired during FY17 and will start in fall 2017 (FY18);
- expanded sponsored grants and contracts activity, \$0.8 million
- fewer non-tenure track faculty, as the campus moves to a 18:1 student to faculty ratio, -\$0.5 million including fringe benefits
- net reduction in employment across the campus, resulting from the voluntary separation incentive program and aligning employment levels with those of peer institutions.

The budget for FY18 includes investment in strategic priorities, including support of a 24x7 residential campus. In support of residential life, the budget includes salary and fringe benefits for 15 new full-time equivalent employees. During FY18, support areas like Public Safety and Health Services will begin expanding staff to ensure fully-trained staff are available when the facility opens. Hiring of residence hall management and residential life staff will also begin in FY18. Funds supporting six (6) additional tenure-stream faculty, and related start-up funding, are also included in the FY18 budget. These hires are the result of searches which began in fall 2016 and offers extended and accepted during FY17. These faculty will start employment in FY18.

UMass Boston has historically had a student faculty ratio below peer institutions. Planned and intentional changes toward increasing the ratio to 18:1 continue into FY18 and are expected to result in fewer NTT faculty. A preliminary estimate of cost savings is reflected in the forecast.

During FY18, a sequence of actions will be undertaken to reduce benefitted employment levels. A voluntary separation incentive plan has been launched, and employees have until July 7 to determine whether to elect to participate. The plan will include a one-time, lump sum payment to individuals who agree to terminate their employment as of August 31, 2017. Academic program reviews, administrative and business service consolidations, a review of management span of control and administrative responsibilities, and moderating additional compensation

Figure 2 Uses of Funds







and temporary employment will also be a part of FY18 efforts. An estimate of savings resulting from these actions is \$4.1 million.

For many years, depreciation expense for UMass Boston was low, very much an outlier compared to peer institutions. This reflected a physical infrastructure in which a majority of the buildings were fully-depreciated and reinvestment in the facilities lagged behind industry standards. Financial results in FY18 reflect continued progress toward transforming the physical infrastructure of the campus, consistent with the Board-approved capital master plan. Depreciation expense in FY18 is projected to be \$25.7 million, an increase of \$2.0 million and 8.6% compared to prior year. Operating interest expense (net of capitalized interest) on existing borrow funds is expected to be \$13.3 million, \$0.5 million higher than prior year.

Non-personnel expense is projected to be \$104.9 million, an increase of \$4.3 million and 4.3%. One of the largest factors in this increase is \$1.5 million in expense related to the 24x7 residential life, \$0.6 million in utilities expense due to additional square footage now available and also the energy usage intensity of specialized spaces, \$0.6 million in restricted expense due to the expected growth in sponsored research activity, \$0.3 million to support central (System Office/UITs) services.

In order to meet the operating margin target, base budget authorization for non-personnel across all areas will reflect up to a 10% reduction compared to FY16 spending. There will also be targeted actions to ensure full cost reimbursement on agreements (like Navitas) and reducing student revenue subsidies to non-core activities. This is expected to generate \$10.9 million in savings. The non-personnel expense base in FY17 reflects many one-time actions taken to close the budget deficit. Many of these reductions are not sustainable over the long-term.

Scholarships and fellowship expense is projected to be \$15.2 million, an increase of \$1.1 million and 7.8%. Scholarship and fellowship expense is a function of waivers and financial aid payments (including Pell). These waivers and payments are split into tuition discounting (revenue discount) and scholarship and fellowship expense (expense). The growth in scholarship and fellowship expense is therefore driven by growth in waivers, financial aid, and Pell Grant awards.



**FY18 Enrollment – Recent history and projected enrollment changes**

UMass Boston has experienced healthy growth in enrollment over the past several years, however in FY17 enrollment declined modestly compared to FY16. In FY18, the enrollment forecast for undergraduate freshman is conservative, reflecting current trends and to guard against unwelcome mid-fiscal year corrections needed due to revenue shortfalls. Expected growth in graduate enrollment is higher than past trends, and reflects program expansion in both masters and PhD programs over the past several years.

<i>(Student FTEs)</i>		<b>BOSTON</b>			
<b>Enrollment</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>#</b>	<b>%</b>	
Undergraduate (In State)	8,526	8,490	36	0.4%	8,563
Undergraduate (Out of State)	1,776	1,790	(14)	-0.8%	1,808
<b>Total Undergraduate</b>	<b>10,302</b>	<b>10,280</b>	<b>22</b>	<b>0.2%</b>	<b>10,371</b>
Graduate (In State)	1,705	1,680	25	1.5%	1709
Graduate (Out of State)	1,158	1,142	16	1.4%	1115.5
<b>Total Graduate</b>	<b>2,863</b>	<b>2,821</b>	<b>42</b>	<b>1.5%</b>	<b>2,825</b>
<b>Total Enrollment</b>	<b>13,165</b>	<b>13,102</b>	<b>63</b>	<b>0.5%</b>	<b>13,195</b>

Total enrollment (HCT) in FY18 is 16,935, an increase of 88 (28 undergraduates, 60 graduate) or 0.5% vs. FY17. The total breakdown of enrollment (HCT) in FY18 is 10,811 undergraduate in-state, 2,064 undergraduate out-of-state, 2,582 graduate in-state, and 1,478 graduate out-of-state.

The percentage of resident versus non-resident students in both undergraduate and graduate populations is expected to remain stable.



***FY18 Staffing - Recent history and projected staffing changes***

The FY18 budget reflects a renewed commitment to find economies of scale in instructional areas and in the provision of support and overhead services. Employment levels are projected to continue a steady decline, a decline having begun in November 2016.

A decline in employment is expected with a number of intentional efforts, including the voluntary separation incentive program, moving closer to the goal of 18:1 student-to-faculty ratio, establishing self-sustaining programs, centers and institutes, and reduction in force initiatives, as needed. These reductions represent right sizing university operational and instructional employment levels to ensure FY18 financial performance and will be instrumental in maintaining a sustainable budget model in future years.

The FY18 budget does include new hiring in targeted areas, including fall tenure-stream faculty hires, 6 FTE, and hiring related to 24x7 residential life, 15 FTE. The largest number of new employees in support of residential life in FY18 will be public safety personnel, due to the lengthy training process necessary to be completed before the residence hall opens in fall 2018.

FTE numbers are preliminary and will be updated as the results of the voluntary separation incentive program become known and FY18 operational plans are further developed, finalized, and implemented.

***FY18 Programs – Planned changes***

A focus in FY18 will be completing a comprehensive review of graduate masters programs. The review will include revenue, expense, market demand and opportunities. Another focus in FY18 will be in identifying opportunities to growth online enrollment and associated net revenue. Online revenue has remained steady over the past several years, but growth has failed to keep pace with that of peer institutions.

***Key Metrics***

Metrics may be used to set goals and assess progress toward priority outcomes, either by comparison with past performance or that of peers and best-in-class organizations.

Key Indicators	Budget	Forecast	\$	\$	Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	-1.2%	-2.3%	(5,000)	(9,861)	-1.3%
Debt Ratio (& Debt P&I)	5.9%	5.9%	25,809	25,439	5.0%
Primary Reserve (& Unrestricted Net Assets)	2.8%	5.2%	12,053	22,330	9.8%

**Financial metrics**

The FY18 budget reflects a target operating margin at -\$5.0 million and -1.2%. The debt service ratio is projected to be 5.9%, well-within the target cap of 8.0%.



Over the past several years, UMass Boston has invested in its capital plan. Investments in the physical infrastructure, borrowing in advance of construction need, and deficit spending has resulted in declining reserve balances over the past three years and is expected to continue in FY18. Unrestricted net assets in FY18 are projected to be \$12.1 million, with a financial cushion moving from 5.2% (FY17) to 2.8% (FY18).

**Student success metrics**

Two of the commonly used metrics of student success are graduate and retention rates. The FY18 budget continues the investment made in prior years in tenure-stream faculty, student advisors, learning communities, and other academic and enrollment strategies to improve graduate and retention rates.

Graduation rates (6-yr rate)

FY16	42.2%	FY15	42.1%	FY14	43.6%
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Retention rates

Freshmen	FY16	77.9%	FY15	79.7%	FY14	77.5%
Transfers	FY16	79.7%	FY15	82.5%	FY14	80.7%

More improvement is needed and a number of actions are underway and will continue in FY18, along with developing goals and targets in each of these areas.

**Campus E&E Efforts**

UMass Boston is committed to supporting efficient and effectiveness initiatives with the System Office and at the campus level. The campus regularly reviews our practices and policies to ensure best practices are deployed whenever possible.

The campus continues to work closely with the UMass Purchasing Council to review spend data to identify opportunities for joint, system-wide contracts. UMass Boston has benefitted from system-wide procurements. The campus continues to accrue benefits realized with the use of BuyWays including the expansion of catalog vendors, another UMass System initiative. We also have executed net excess generation credits which we are currently receiving benefits in calendar year 2017.

- UMass Boston has remained on the National Grid Cost of Gas service as opposed to contracting with marketers as is the standard practice in the industry and with other UMass campuses. The 2-year savings is valued at approximately \$400,000.
- As previously noted, UMass Boston has contracted to receive Solar Net Metering Credits, via a 20-year term structure similar to arrangements of the other 4 UMass



campuses. In FY17 the contracts were finalized, actual net metering credits were realized and the validation process implemented.

- The campus continues working with Eversource and the developers to identify the credit allocations for FY17, however, all projects are operational and flowing credits. The current projections for FY18 and over the 20-year term are below:
- The projected FY17 and FY18 savings are valued at the 20-year savings:
  - 100 Meadow St: FY18 projected savings \$158,096, 20 year projected savings \$3,056,501.
  - McClellan Hwy: FY18 projected savings \$28,707, 20 year projected savings \$617,994.
  - 440 McClellan Hwy: FY 18 projected savings \$23,923, 20 year projected savings \$514,995.
  - Total: FY18 Projected Savings \$210,725, 20 year projected savings \$4,189,490.
- Elevator Modernization Project (Underway) 14 existing elevators will be replaced with updated cabs, motors, and associated equipment. The existing traction elevators are powered by motor – generator systems. These motor – generator systems are being replaced with regenerative Variable-Voltage, Variable Frequency drives which are more efficient when operating. Estimated annual savings as a result of these upgrades is \$65,975.
- Participation and support for *We Are Better Together*, the business process review initiative currently underway with support by the Davis Foundation. The campus is actively engaged in supporting the three projects underway – position management, management reporting, and vendor maintenance.

### ***Campus Budget Reductions***

UMass Boston is committed to improving financial performance of the campus. In order to do this, \$22.7 million of new revenue and expense solutions must be identified and realized during the fiscal year. These are the higher-value changes currently being considered:

- Voluntary separation program
- Reduction in force
- No cost of living adjustment for unit and non-unit employees
- Up to a 10% reduction in non-personnel spending, as compared to FY16
- Full cost reimbursement from Navitas for instructional expense, including benefits and overhead assessment
- Achieve and maintain a student to faculty ratio to 18:1
- Grow self-supporting research portfolio
- Increase fund-raising, and



- Establish self-sustaining programs, centers and institutes

### **Conclusion**

The FY18 budget reflects continued growth in both undergraduate and graduate enrollment, along with the transformation of the campus and a commitment to reducing the annual operating deficit. The University takes pride in expanding the diversity and strengthening the quality of the student body. Diversity in the undergraduate population has grown to 57%<sup>1</sup>, and the incoming SAT scores (combined) of incoming freshmen has moved from 843 to 1,098 since fall 2012<sup>2</sup>, with Pell grant recipients representing over 42% of the total undergraduate student population.

Actions to achieve a balanced budget will require actions which will be felt in all areas across campus. These actions will be done in ways which minimize the effect on students, and allocate resources to those activities more closely aligned to the core mission and strategic plan of the university.

### Attachments:

- Campus Budget One-Sheet
- Tuition & Fee Schedule

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<sup>1</sup> 2016 Statistical Portrait, Table 4A

<sup>2</sup> 2015 Statistical Portrait, Table 12



<i>(\$ in Thousands)</i>					
<b>BOSTON</b>					
<b>Revenues</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>\$</b>	<b>%</b>	<b>FY2016</b>
Gross Tuition & Fees	247,723	240,077	7,646	3.2%	186,884
Tuition Discounts	(53,202)	(51,233)	(1,969)	3.8%	(45,471)
Net Tuition & Fees	194,521	188,844	5,677	3.0%	186,884
Grants	58,847	57,133	1,714	3.0%	53,927
Sales & Service, Educational	3,957	3,957	0	0.0%	3,709
Auxiliary Enterprises	6,116	6,386	(270)	-4.2%	5,965
Other Operating	1,296	1,296	0	0.0%	2,837
State appropriations (including fringe)	131,773	130,423	1,350	1.0%	117,987
Other NonOperating (excl. interest)	35,561	36,474	(913)	-2.5%	35,093
<b>Total Revenues</b>	<b>432,071</b>	<b>424,513</b>	<b>7,558</b>	<b>1.8%</b>	<b>406,402</b>
<b>Expenses</b>					
Salaries & Fringe	277,084	281,054	(3,970)	-1.4%	266,100
Non-personnel	104,861	100,580	4,281	4.3%	101,713
Scholarships and fellowships	15,201	14,102	1,099	7.8%	16,047
Depreciation	25,711	23,665	2,046	8.6%	18,988
Interest	13,278	12,804	474	3.7%	9,064
<b>Total Expenses</b>	<b>436,135</b>	<b>432,206</b>	<b>3,929</b>	<b>0.9%</b>	<b>411,912</b>
<b>Operating Margin</b>					
UMass OM Calc Revenues	431,135	422,345	8,790	2.1%	406,543
Total Expenses	436,135	432,206	3,929	0.9%	411,912
<b>Surplus / (Deficit)</b>	<b>(5,000)</b>	<b>(9,861)</b>	<b>4,861</b>		<b>(5,369)</b>
<b>UMass OM Calc</b>	<b>-1.2%</b>	<b>-2.3%</b>			<b>-1.3%</b>
<b>Key Indicators</b>					
	<b>Budget</b>	<b>Forecast</b>	<b>\$</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>
Operating Margin (& Surplus/Deficit)	-1.2%	-2.3%	(5,000)	(9,861)	-1.3%
Debt Ratio (& Debt P&I)	5.9%	5.9%	25,809	25,439	5.0%
Primary Reserve (& Unrestricted Net Assets)	2.8%	5.2%	12,053	22,330	9.8%
<i>(Student FTEs)</i>					
<b>BOSTON</b>					
<b>Enrollment</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>#</b>	<b>%</b>	<b>FY2016</b>
Undergraduate (In State)	8,526	8,490	36	0.4%	8,563
Undergraduate (Out of State)	1,776	1,790	(14)	-0.8%	1,808
<b>Total Undergraduate</b>	<b>10,302</b>	<b>10,280</b>	<b>22</b>	<b>0.2%</b>	<b>10,371</b>
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<b>Total Graduate</b>	<b>2,863</b>	<b>2,821</b>	<b>42</b>	<b>1.5%</b>	<b>2,825</b>
<b>Total Enrollment</b>	<b>13,165</b>	<b>13,102</b>	<b>63</b>	<b>0.5%</b>	<b>13,195</b>



**UNIVERSITY OF MASSACHUSETTS, BOSTON**

**STUDENT TUITION & FEE SCHEDULES**

FY 2018 TUITION & MANDATORY FEES

FY 2018 NON-MANDATORY FEES

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

**FY 2018 TUITION & MANDATORY FEES  
SUMMARY TABLE**

	FY2016 Actual	FY2016 TR Effect	FY2017 Actual	FY2018 Proposed	\$ Change FY17-FY18	% Change FY17-FY18
<b><u>UNDERGRADUATE</u></b>						
<b>TUITION</b>						
Undergraduate (resident)	\$1,714	\$12,360	\$13,110	\$13,503	\$393	3.0%
Undergraduate (non-resident)	\$9,758	\$29,598	\$31,698	\$32,660	\$962	3.0%
<b>CURRICULUM SUPPORT FEE</b>						
Undergraduate (resident)	\$10,172	\$0	\$0	\$0	\$0	0.0%
Undergraduate (non-resident)	\$19,366	\$0	\$0	\$0	\$0	0.0%
<b>MANDATORY FEES</b>						
Student Activities (Undergraduate)	\$72	\$72	\$75	\$75	\$0	0.0%
Technology	\$250	\$250	\$250	\$250	\$0	0.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Undergraduate (resident)	\$12,208	\$12,682	\$13,435	\$13,828	\$393	2.9%
Undergraduate (non-resident)	\$29,446	\$29,920	\$32,023	\$32,985	\$962	3.0%
<b><u>GRADUATE</u></b>						
<b>TUITION</b>						
Graduate (resident)	\$2,590	\$15,763	\$16,863	\$17,375	\$512	3.0%
Graduate (non-resident)	\$9,758	\$30,763	\$32,913	\$33,915	\$1,002	3.0%
<b>CURRICULUM SUPPORT FEE</b>						
Graduate (resident)	\$12,699	\$0	\$0	\$0	\$0	0.0%
Graduate (non-resident)	\$20,531	\$0	\$0	\$0	\$0	0.0%
<b>MANDATORY FEES</b>						
Student Activities (Graduate)	\$102	\$102	\$105	\$105	\$0	0.0%
Technology	\$100	\$250	\$250	\$250	\$0	0.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Graduate (resident)	\$15,491	\$16,115	\$17,218	\$17,730	\$512	3.0%
Graduate (non-resident)	\$30,491	\$31,115	\$33,268	\$34,270	\$1,002	3.0%

FY 2018 NON-MANDATORY FEES

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY17-FY18	% Change FY17-FY18
<b>Online Courses (per credit):</b>					
Undergraduate	\$365	\$410	\$410	\$0	0%
Graduate	\$505	\$575	\$575	\$0	0%
<b>Program Fees</b>					
<b>Management</b>					
Undergraduate per Semester (Fall / Spring)	\$412	\$425	\$446	\$21	5%
Undergraduate (Winter / Summer)	\$206	\$212	\$223	\$11	5%
Graduate per Semester (Fall / Spring)	\$840	\$860	\$905	\$45	5%
Graduate (Winter / Summer)	\$420	\$430	\$452	\$22	5%
<b>Nursing</b>					
Undergraduate Students (Fall / Spring)	\$500	\$500	\$500	\$0	0%
Undergraduate Program (Winter / Summer)	\$250	\$250	\$250	\$0	0%
Graduate Students (Fall / Spring)	\$700	\$700	\$700	\$0	0%
Graduate Program (Winter / Summer)	\$350	\$350	\$350	\$0	0%
<b>E&amp;HS</b>					
Undergraduate Students (Fall / Spring)	\$400	\$400	\$400	\$0	0%
Undergraduate Program (Winter / Summer)	\$200	\$200	\$200	\$0	0%
Graduate Students (Fall / Spring)	\$700	\$700	\$700	\$0	0%
Graduate Program (Winter / Summer)	\$350	\$350	\$350	\$0	0%
<b>CLA Infant Parent Mental Health Graduate Certificate</b>					
Program fee	\$9,500	\$9,500	\$9,500	\$0	0%
Application fee	\$75	\$75	\$75	\$0	0%
<b>Laboratory Fees</b>					
Anthropology	\$54	\$61	\$61	\$0	0%
Art	\$44 - \$125	\$112 - \$168	\$112 - \$168	\$0	0%
Biology	\$81 - \$107	\$86 - \$112	\$91 - \$135	\$5 - \$23	6% - 20%
Chemistry	\$107	\$135	\$135	\$0	0%
Communications & Theatre Arts	\$17 - \$35	\$17 - \$35	\$5 - \$35	\$0	0%
Computer Science	\$21 - \$55	\$21 - \$55	\$22 - \$54	\$1	5%
School for the Environment	\$52 - \$170	\$52 - \$170	\$50 - \$300	\$0	76%
Exercise & Health Sciences	\$50 - \$62	\$50 - \$62	\$53 - \$65	\$3	5%
College of Ed & Human Development	\$18 - \$124	\$19 - \$128	\$20 - \$132	\$4	3%
Language Lab	\$26 - \$55	\$26 - \$55	\$26 - \$55	\$0	0%
Mathematics	\$55	\$55	\$55	\$0	0%
Nursing	\$34 - \$348	\$34 - \$348	\$34 - \$348	\$0	0%
Physics	\$33 - \$82	\$33 - \$90	\$33 - \$90	\$0	0%
Engineering	\$52 - \$103	\$57 - \$113	\$60 - \$120	\$7	6%
Psychology	\$25 - \$64	\$28 - \$72	\$25 - \$72	\$0	0%
<b>Administrative Fees</b>					
Admissions Processing - Undergraduate International	\$100	\$100	\$100	\$0	0%
Admissions Processing - Undergraduate Non-Resident	\$60	\$60	\$60	\$0	0%
Admissions Processing - Undergraduate Resident	\$60	\$60	\$60	\$0	0%
Admissions Processing - Undergrad Late Registration Fee	\$100	\$100	\$100	\$0	0%
Admissions Processing - Undergrad Deposit Fee	\$200	\$200	\$200	\$0	0%
Admissions Processing - Undergrad Non Degree	\$60	\$60	\$60	\$0	0%
Admissions Processing - Undergrad Summer I,II	\$100	\$100	\$100	\$0	0%
Admissions Processing - Graduate International	\$100	\$100	\$100	\$0	0%
Admissions Processing - Graduate Non-Resident	\$60	\$60	\$60	\$0	0%
Admissions Processing - Graduate Resident	\$60	\$60	\$60	\$0	0%
Admissions Processing - Graduate Deposit Fee	\$250	\$250	\$250	\$0	0%
Admissions Processing - Graduate Deferral Fee	\$25	\$25	\$25	\$0	0%
Graduate Studies Program Fee	\$450	\$450	\$450	\$0	0%
E-Portfolio Fee	\$128	\$132	\$142	\$10	8%
Late Payment	\$113	\$116	\$100	-\$16	-14%
Payment Plan Fee (a)	\$40	\$41	\$45	\$4	10%
Returned Check Fee	\$27	\$28	\$28	\$0	0%
Commencement (b )	\$200	\$200	\$200	\$0	0%
Non-Matriculated Student Transcript Fee	\$10	\$10	\$10	\$0	0%
Reactivation Fee	\$60	\$60	\$60	\$0	0%
ID Card, Matriculated and non credit students	\$25	\$25	\$25	\$0	0%
ID Card, Replacement	\$25	\$25	\$25	\$0	0%

**FY 2018 NON-MANDATORY FEES**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY17-FY18</b>	<b>% Change FY17-FY18</b>
ID Card, Online	\$25	\$25	\$25	\$0	0%
Replacement ISC (one card)	\$25	\$25	\$25	\$0	0%
Mass Media	\$17	\$17	\$17	\$0	0%
New Student Fee	\$643	\$643	\$643	\$0	0%
Student Renewable Energy Fee	\$7	\$7	\$7	\$0	0%
<b>International Fees</b>					
Study Abroad Fee	\$100	\$100	\$100	\$0	0%
International Student Fee	\$310	\$320	\$320	\$0	0%
<b>Global Programs Support Fees</b>					
Education Abroad Engagement Fee (c)		\$20	\$20	\$0	0%
<b>Health Fees</b>					
Student Health Insurance Plan (SHIP) (d)	\$1,920	\$2,035	\$2,075	\$40	2%

**Notes:**

*a Charged to students opting to pay by UMass Boston payment plan*

*b Mandatory charge for anticipated degree recipients only*

*c Mandatory unless student has coverage. Proposed rate is negotiated at the system-level based on campus criteria and actuarial experience.*

**FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS**

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY17-FY18	% Change FY17-FY18
<b>Program Fees</b>					
CAPS Winter/Summer					
Matriculated					
Undergraduate					
Resident	\$365	\$470	\$470	\$0	0%
Non-resident	\$365	\$850	\$850	\$0	0%
Graduate	\$505	\$570	\$570	\$0	0%
Resident	\$505	\$625	\$625	\$0	0%
Non-resident	\$505	\$950	\$950	\$0	0%
Non-matriculated					
Undergraduate	\$365	\$410	\$410	\$0	0%
Graduate	\$505	\$575	\$575	\$0	0%
Executive MBA, MSA, MFA Program					
Professional graduate program fee	\$840	\$870	\$0	N/A	N/A
Summer Services Fees*	\$237	\$237	\$245	\$8	3%
CAPS - non credit program	\$32 - \$5,500	\$25 - \$6,250	\$25 - \$6,425	\$175	3%
CAPS - professional development	\$25 - \$6,000	\$25 - \$6,250	\$25 - \$6,425	\$175	3%
<b>Other Fees</b>					
Parking, Per day	\$6	\$6	\$6	\$0	0%
Parking, 5-day park pass	\$29	\$29	\$29	\$0	0%
Parking, 10-day park pass	\$56	\$56	\$56	\$0	0%
Parking, 30-day park pass	\$162	\$162	\$162	\$0	0%
Parking, 45-day park pass	\$238	\$238	\$238	\$0	0%
Parking, 60-day park pass	\$300	\$300	\$300	\$0	0%
Parking, Monthly pass	\$96	\$96	\$96	\$0	0%
Parking, Semester pass	\$342	\$342	\$342	\$0	0%
Parking, Semester pass (students - pre-pay)	\$325	\$325	\$325	\$0	0%
Marine Ops - Small Boat Rental (per hour)	\$65	\$65	\$70	\$5	8%
Marine Ops - Dockage Fees (per foot)	\$2	\$2	\$2	\$0	0%
Marine Ops - Mooring Fees (per foot)	\$1	\$1	\$1	\$0	0%
Marine Ops - R/V John F. Looney Jr. (2 hours)	\$270	\$270	\$270	\$0	0%
Marine Ops - M/V Columbia Point (2 hours)	\$690	\$690	\$725	\$35	5%
Marine Ops - Fox Point Pavillion Rental (per reservation)	\$60	\$60	\$65	\$5	8%
Marine Ops - Harbor Walk Bench	\$1,050	\$1,100	\$1,100	\$0	0%
Marine Ops - Harbor Cruises**	\$5 - \$10	\$5 - \$10	\$10	\$0	0%
Marine Ops - Island Adventures per hour	\$900	\$900	\$900	\$0	0%
Marine Ops - Science at Sea	\$1,400	\$1,400	\$1,400	\$0	0%
Marine Ops - Special Events	\$500 - \$1,000	\$500 - \$1,000	\$2,500	\$1,500	300%
Early Learning Center Tuition - Toddlers (per day)	\$59	\$64	\$68	\$4	6%
Early Learning Center Tuition - Preschoolers (per day)	\$47	\$52	\$55	\$3	6%
WUMB, Membership plans	\$60 - \$1,000	\$60 - \$1,000	72 - 1,000	\$12	20%
WUMB, Winter Acoustic Music Weekend - Member	\$400	\$400	\$425	\$25	6%
WUMB, Winter Acoustic Music Weekend - Non member	\$425	\$425	\$450	\$25	6%
WUMB, Inn, 3 floor and Cottages - Member	\$900	\$900	\$925	\$25	3%
WUMB, Inn 2 floor - Member	\$950	\$950	\$975	\$25	3%
WUMB, Inn 2 floor Double Bed, Tree Line Cabin- Member	\$1,000	\$1,000	\$1,025	\$25	3%
WUMB, Inn, 3 floor and Cottages - Non member	\$950	\$950	\$975	\$25	3%
WUMB, Inn 2 floor - Non member	\$1,000	\$1,000	\$1,025	\$25	3%
WUMB, Inn 2 floor Double Bed, Tree Line Cabin- Non membe	\$1,025	\$1,025	\$1,050	\$25	2%

**Notes:**

Early Learning Centre only includes Private Fees only, State Contractual Fees set by the Commonwealth therefore not determined in these workings

\* Applicable to College of Mgmt MS Accounting and Professional MBA programs

\*\* denotes fees not applicable to students (ie free for students)

**FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES**

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY17-FY18	% Change FY17-FY18
<b>Other Fees (Not Student Related)</b>					
Athletics - Beacon Fitness Ctr Employees & Alumni - Annual	\$202	\$216	\$216	\$0	0%
Athletics - Beacon Fitness Center Community Adult - Annual	\$199	\$125	\$125	\$0	0%
Athletics - Beacon Fitness Center Community Family - Annual	\$221	\$160	\$160	\$0	0%
Athletics - Beacon Fitness Center Community Youth - Annual	\$33	\$30	\$30	\$0	0%
Athletics - Beacon Fitness Center Community Personal Trainer - Hourly	\$31	\$35	\$40	\$5	14%
Athletics - Clark Athletic Center , Creative Room Rental - Hourly	\$110	\$110	N/A	N/A	N/A
Athletics - Clark Athletic Center , Lobby - Hourly	\$100	\$100	\$100	\$0	0%
Athletics - Clark Athletic Center Gymnasium - Hourly	\$350	\$350	\$350	\$0	0%
Athletics - Clark Locker Rooms (case by case request) -/Hour /locker room	\$54	\$54	\$54	\$0	0%
Athletics - Clark Center , Dive Well only Lifeguard	\$57	\$58	\$60	\$2	3%
Athletics - Ice Rink Rental - per hour	\$250	\$250	\$250	\$0	0%
Athletics - Swimming Pool Rental - Hourly (including Lifeguard)	\$109	\$112	\$125	\$13	12%
Athletics - Softball Field Rental - Per game	\$275	\$275	\$275	\$0	0%
Athletics - 400-Meter Track, lacrosse/soccer field, per game/match	\$300	\$300	\$300	\$0	0%
Athletics - Facility Staff Member	\$49	\$49	\$49	\$0	0%
Athletics - Additional Life Guard - per hour	\$17	\$18	\$18	\$0	0%
Athletics - Additional Ice Rink Attendant - per hour	\$16	\$16	\$16	\$0	0%
Athletics - Student Employee - per hour	\$14	\$14	\$14	\$0	0%
Athletics - UMB Game Admission - Spectator over 12 yrs.	\$7	\$7	\$7	\$0	0%
Athletics - Monan Park Rentals - Main field per game		\$600	\$750	\$150	25%
Athletics - Monan Park Rentals - JV field per game		\$250	\$250	\$0	0%
Athletics - Monan Park Rentals - All day tournaments, 2-3 days		\$2,000 - \$5000	\$2,500 - \$5000	\$500	25%
Athletics - Monan Park Rentals - Both fields per game		\$850	\$1,000	\$150	18%
Center for Collaborative Leadership - Workshop Fee	\$7,000	\$7,000	\$7,000	\$0	0%
Center for Collaborative Leadership - Luncheon Fee	\$100	\$100	\$100	\$0	0%
Center for Collaborative Leadership - Breakfast Fee	\$50	\$50	\$50	\$0	0%
Center for Collaborative Leadership - 2 Hour Programming	\$50	\$50	\$50	\$0	0%
Center for Collaborative Leadership - Half-day Programming for alumni	\$350	\$350	\$350	\$0	0%
Center for Collaborative Leadership - Full-day programming for alumni	\$750	\$750	\$750	\$0	0%
Distance Learning Ctr - Audio Visual Production Products (each)	\$5 - \$47	\$5 - \$47	\$5 - \$47	\$0	0%
Distance Learning Ctr - Audio Visual Production Services (per hour)	\$12 - \$163	\$12 - \$163	\$12 - \$163	\$0	0%
ILT - ALERTA Summer Program Fee plus optional lunch fee (per student)	N/A	\$30 - \$110	\$35 - \$115	\$0	0%
ILT - TAG Summer Program Fee for EXCEL (per student)	N/A	\$30 - \$110	\$35 - \$115	\$0	0%
ILT - TAG Summer Program Fee for SPELL (per student)	N/A	\$30 - \$110	\$35 - \$115	\$0	0%
Joiner Center - Sale of Center Publications/Videos	\$12 - \$31	\$12 - \$31	\$12 - \$31	\$0	0%
Joiner Center - Writer's Workshop Fee (one week/two weeks)	\$238 - \$433	\$250 - \$500	\$250 - \$500	\$0	0%
Osher Lifelong Learning Institute (OLLI) (formerly LETS) - Annual Membership Fee	\$150	\$150	\$220	\$70	47%
Library - Overdue Fines	\$0.75 - \$30	\$0.75 - \$30	\$0.75 - \$30	\$0	0%
Library - Book Replacement Fee	\$1.03 - \$1,030	\$1.03 - \$1,030	\$1.03 - \$1,030	\$0	0%
Library - Book Replacement Processing Costs	\$30	\$30	\$30	\$0	0%
Library - 3 Hour Reserve Materials Late Fee	\$10 - \$150	\$10 - \$150	\$10 - \$150	\$0	0%
Library - 2 Day Reserve Late Fee	\$30 - \$150	\$30 - \$150	\$30 - \$150	\$0	0%
Library - Interlibrary Loan - Overdue Fee	\$0.75 - \$30	\$0.75 - \$30	\$0.75 - \$30	\$0	0%
Library - Interlibrary Loan - Book Replacement Costs	\$1.03 - \$1,030	\$1.03 - \$1,030	\$1.03 - \$1,030	\$0	0%
Library - Interlibrary Loan - Book Replacement Processing Fee	\$30	\$30	\$30	\$0	0%
Library - Archive copying fees	\$15 - \$15	\$15 - \$15	\$15 - \$15	\$0	0%
Library - University Archives copying Forrester Record	\$10	\$10	\$10	\$0	0%
Library - University Archives Holdings Scanning Per Item	25	\$25	\$25	\$0	0%
Library - Loaner Laptop late fee per minute	\$0	\$0	\$0	\$0	0%
Library - Loaner Laptop late fee per hour maximum	\$15	\$15	\$15	\$0	0%
Library - Lost Loaner Laptop replacement fee	\$1,500	\$1,500	\$1,500	\$0	0%

**FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES**

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY17-FY18	% Change FY17-FY18
<b>Other Fees (Not Student Related)</b>					
Library - Lost Loaner Laptop charger/adaptor replacement fee	\$150	\$150	\$150	\$0	0%
Library - Lost one-week DVD loan replacement fee	\$250	\$250	\$250	\$0	0%
Library - Lost one-week DVD loan replacement processing fee	\$30	\$30	\$30	\$0	0%
Library - Lost one-week DVD loan overdue fee	\$30	\$30	\$30	\$0	0%
Nantucket Field Station - Gouin Village Apartments (non UMB users - per night, per guest)	\$30	\$30	\$40	\$10	33%
Nantucket Field Station - Gouin Village Apartments (UMB users - per night, per guest)	\$25	\$25	\$25	\$0	0%
Nantucket Field Station - Gouin Village Apartments (non UMB users - full condo)	\$400	\$400	\$960	\$560	140%
Nantucket Field Station - Gouin Village Apartments (UMB users - full condo)	\$300	\$300	\$600	\$300	100%
Nantucket Field Station - Gouin Village Apartments (non UMB users - per week, per guest)	\$200	\$200	\$240	\$40	20%
Nantucket Field Station - Gouin Village Apartments (UMB users - per week, per guest)	\$150	\$150	\$150	\$0	0%
Nantucket Field Station - Bunkhouse (non UMB users - per night)	\$25	\$25	\$30	\$5	20%
Nantucket Field Station - Bunkhouse (UMB users - per night)	\$15	\$15	\$15	\$0	0%
Nantucket Field Station - Bunkhouse (non UMB users - per week)	\$100	\$100	\$180	\$80	80%
Nantucket Field Station - Bunkhouse (UMB users - per week)	\$80	\$80	\$90	\$10	13%
Nantucket Field Station - Bunkhouse (non UMB users - per week both bunk rooms)	\$200	\$200	\$2,520	\$2,320	1160%
Nantucket Field Station - Bunkhouse (UMB users - per week both bunk rooms)	\$150	\$150	\$1,260	\$1,110	740%
Nantucket Field Station - Lab Bench Use Fee (non UMB users)	\$8	\$8	\$16	\$8	100%
Nantucket Field Station - Lab Bench Use Fee (UMB users)	\$8	\$8	\$8	\$0	0%
Nantucket Field Station - Lab User Fee (non UMB users)			\$100	\$100	100%
Nantucket Field Station - Lab User Fee (UMB users)			\$50	\$50	100%
Nantucket Field Station - Lab Teaching Fee (non UMB users)			\$50	\$50	100%
Nantucket Field Station - Lab Teaching Fee (UMB users)			\$25	\$25	100%
Nantucket Field Station - Lecture Room Meeting Fee (non UMB users per day)	\$75	\$75	\$150	\$75	100%
Nantucket Field Station - Lecture Room Meeting Fee (UMB users per day)	\$75	\$75	\$75	\$0	100%
Nantucket Field Station - Conference Room Meeting Fee (non UMB users per day)	\$75	\$75	\$75	\$0	0%
Nantucket Field Station - Conference Room Meeting Fee (UMB users per day)	\$75	\$75	\$45	-\$30	-40%
Nantucket Field Station - Vehicle Use Fee (per day)	\$20	\$20	\$20	\$0	0%
ODI - Commonwealth Compact Talent Network Access Tier 1		\$600 - \$10,000	\$600 - \$10,000	\$0	0%
ODI - Commonwealth Compact Talent Network Access Tier 2		\$300 - \$5,000	\$300 - \$5,000	\$0	0%
ODI - Commonwealth Compact Talent Network Access Sole Practitioners	\$250	\$100	\$100	\$0	0%
Campus Center Vendor Fee (charged to vendor)	\$182 - \$351	\$133 - \$200	\$133 - \$200	\$0	0%
Student Affairs, Student Locker Rental - per semester	\$20	\$20	\$20	\$0	0%
Student Affairs, Student Locker Rental - per academic year	\$25	\$25	\$25	\$0	0%
Public Safety, Parking Fines - category 1	\$75 - \$150	\$75 - \$150	\$75 - \$150	\$0	0%
Public Safety, Parking Fines - category 2	\$25 - \$35	\$25 - \$35	\$25 - \$35	\$0	0%
Public Safety, Police details	\$48 - \$52	\$49 - \$59	\$50 - \$60	\$1	2%
Event Services - All Room Rental Charges	\$90 - \$4,975	\$150 - \$4,975	\$150 - \$4,975	\$0	0%
CNHS GoKids - monthly maintenance fee	\$141	\$141	\$141	\$0	0%
CNHS GoKids - personal trainer per/hr	\$76	\$76	\$76	\$0	0%
CNHS GoKids - group program per/hr	\$15	\$15	\$15	\$0	0%

# DARTMOUTH CAMPUS



## **Overview**

The University of Massachusetts Dartmouth (UMassD) is pleased to submit its proposed Fiscal Year (FY) 2018 Operating Budget of \$251.7 million. Assumptions contained in this proposal include:

- No increase in base state appropriation.
- Tuition and fee increases of 3 percent.
- Flat fall 2017 enrollment in all programs except University Extension (continuing education).
- Strong University Extension enrollment.
- Aggressive efficiency and effectiveness efforts.
- Continued modernizing of enrollment and advancement systems.
- A debt ratio of 7.1 percent to operations. (7.4 percent when depreciation is removed but principal payments are included).
- Housing occupancy rate of 85 percent. (Includes closure of one first-year student dorm in Spring 2018.)
- Fall 2017 opening of new School of Marine Science and Technology (SMAST) facility in New Bedford – on time and on budget.
- A primary reserve ratio of 8.0 percent.

The FY18 operating budget will have a flat operating margin. This flat margin results from potential salary increases, a 3.0 percent increase in the state-imposed fringe benefit and payroll tax rates, an increase of 5.9 percent in depreciation from a full year of depreciation for the Charlton College of Business (CCB) addition and one-half year for the new SMAST facility.

In order to balance the budget and preserve the quality of our academic programming and student experience, we have reduced our contingency fund, planned for a closing of one freshman dorm in Spring 2018, removed inflation from expenses, included salary savings by using a slower on-board process, and continued the use of a Staff Review Committee to review all vacant and proposed positions.

## **Budget Process**

In July, 2016, Interim Chancellor Helm commissioned a Budget Review Committee to determine if the best budget model for the Dartmouth campus was the current incremental model or if another model would provide the campus with a more strategic and transparent process. After a series of meetings and the engagement of a consultant, the committee recommended a Responsibility Centered Management Model (RCM). This model assigns revenues and expenses to where earned and where incurred, respectively. It also distributes administrative service unit expenses based on a variety of cost drivers.

In September 2016, 15 individuals were assigned to participate in a year-long Responsibility Centered Budget Task Force. The Task Force meets bi-weekly and reviews various areas of revenues and expenses within the model and more importantly their allocation to units. The distribution of information to the various members of the committee, including a member of the Employee Service Union and the Faculty Senate, has provided the enhanced budget transparency requested by the campus community.

The committee will continue its work into FY18. During the summer of 2017 we will develop the processes required to implement such a budget model. The RCM system will be run in parallel to our incremental budget model in FY18.

For FY18, the various colleges, academic units, and student affairs units will be assigned a member of the budget team. The assigned individuals will be responsible for meeting with a unit's liaison to review the various report options and answer questions related to the budget process, overall budget, etc.

**Campus Strategic Plan:** <http://www.umassd.edu/strategicplan/>

We anticipate an update to the campus strategic plan with the hiring of Robert Johnson, Ph.D. as our Chancellor, effective July 1, 2017. Dr. Johnson has been meeting with various members of the cabinet to obtain in-depth knowledge of the campus workings.

In using the current strategic plan, the following update is provided:

*Goal 1: Innovative and High-Impact Research and Academic Programs*

- In FY16–FY17, UMass Dartmouth was recognized as a Carnegie Doctoral: Higher Research Institution (R2) and as a U.S. News & World Report Tier 1 National University.
- In FY17, the School of Law received full accreditation by the American Bar Association and the College of Nursing received its first full accreditation by CCNE.
- The College of Engineering, College of Visual and Performing Arts, and Charlton College of Business received re-accreditation as professional colleges by ABET, NASAD, and AACSB, respectively.
- Seven new academic programs and two doctoral programs (Chemistry & Biochemistry, and Integrative Biology), four masters' programs (Accounting, Data Science, Health Management, and Technology Management) and an interdisciplinary BS program in data science were developed and approved. An eighth program (PhD in Business Administration), was approved by Board of Trustees and is awaiting approval by the Board of Higher Education. Eight additional programs are now in the pipeline, including BA/BS in Environmental Engineering, Animation and Game Design, Health & Society, International Studies, and Public Administration; MS in Finance; and PhD in Applied Psychology, and STEM Education. The BA in Healthcare Services Administration was re-engineered to reflect current curriculum standards.

***University Extension - Online and Continuing Education***

- University Extension (UE) continues to grow its online and hybrid degree offerings, beginning with the expansion of the new Accelerated BS in Nursing program, increasing the cohort size from nine students to twenty-four in Fall 2017. UE, in partnership with the Charlton College of Business, will launch fully-online BS degree programs in Accounting, Marketing and Operations Management in Fall 2017. In partnership with the College of Nursing, an online MS in Nursing will begin in Fall 2017 in addition to a new hybrid Doctor of Nursing Practice.
- UMass Dartmouth was selected in April 2017 as an educational partner with the Northeast Hospital Corporation and Beverly Hospital to develop degree progression programs to their nurses and staff. This will expand our online RN to BS program, starting Fall 2017, and online MS in Nursing starting in Fall 2018.
- Admission requirement changes with the College of Arts and Science new online BA in Economics (launched Spring 2017), Healthcare Services Administration concentration will expand this program into new markets starting Fall 2017.

***Goal 2: Integrated Student-Centered Experiences***

- UE recently launched the TargetX CRM, which will assist us in increasing our conversion of inquiries to applicants, and then applicants to enrolled students. This improved sales technology, matched with improved UE application processing and UE staff investments, will result in continued growth in online and continuing education enrollment.
- Recruiting and retaining talented and diverse undergraduate and graduate students remains a priority.

***Goal 3: An Active and Engaged University Community Focused on Excellence in Research, Scholarship & Innovation***

The Campus continues its work to maintain its R2 status while providing our faculty and students with enhanced learning opportunities. Several of these initiatives include:

- Recruitment of 160 new faculty members in 4 years (~40 a year) as part of a major realignment strategy while maintaining an overall student to faculty ratio of 18:1.
- Institution of new faculty intramural programs: (a) Multidisciplinary Seed Funding – resulting in creation of 28 multidisciplinary faculty teams to-date, (b) Summer Faculty Research Fellowship, and (c) Faculty Conference Travel Fund.
- In FY17, the Campus established standards for promotion to full professorship (for the first time) as well as completed enhancement of 2005 standards for tenure and promotion to associate professor.

- Research laboratories were brought into full compliance by (a) aggressively dealing with chemical handling, animal safety, and fire codes; (b) closing the Biosafety Lab and botulinum-related research; and (c) establishing a research space assignment policy.
- The Law School received full accreditation from the American Bar Association. This achievement will strengthen the school's reputation and ability to attract students in a competitive marketplace.

*Goal 4: Highly Productive Collaborations, Partnerships, and Community Engagement*

- In FY17, the Campus began offering on-site business programs at South Coast Hospital Group (Charlton Hospital in Fall River, St. Luke's Hospital in New Bedford, and Tobey Hospital in Wareham). This initiative will be expanded in FY18 to other corporate partners.
- The UMass Dartmouth Center for Innovation and Entrepreneurship in Fall River has state of the art research labs, prototype development capabilities and a dedicated staff of experts to assist with the hands-on application of academics to develop real world solutions. The CIE provides the infrastructure to help early-stage companies grow and mature. The primary objective of the Center is to provide an environment where technology companies will develop into employers located in Southeastern Massachusetts. By attracting these companies to the CIE, it is with the plan to facilitate the economic growth of the region.
- Civic Engagement efforts are designed to maximize the active learning opportunities of our students through service-learning and faculty through engaged scholarship that co-jointly benefit the community. Best practice models in capacity development include our award winning Service-learning Faculty Fellows program and our Southcoast Serves collaborative. Eighty percent of the graduates will have at least one service-learning experience. The long term goal is to positively impact regional education, health, and economic development.

*Goal 5: Infrastructure and Processes in Support of Excellence*

***Efficiency and Effectiveness Efforts (E&E)***

The Dartmouth campus has been a leader in the development of E&E for the UMass system, and has implemented or is in the process of implementing the following measures:

Part-Time Faculty Savings/Undergraduate Sections

Major academic E&E targets have been achieved in FY16 – FY17 by reducing instruction by part-time faculty by 24%.

Elimination of Small Class Sections

Academic E&E efforts in FY16-FY17 have reduced the percentage of undergraduate sections with 12 or fewer students from 12% to 8% and graduate sections with 6 or fewer students from 14%

to 13%. At the same time we have maintained our overall 18:1 student to faculty ratio.

#### Academic Research Centers

Phased reengineering of the academic center budgets since 2013 has reduced total center budgets by over \$2.2M.

#### Paperless Travel Expense Reporting

In FY17, the Campus initiated a paperless travel and business expense procedure. Additional initiatives within that system included audit changes. The same workflow of authorizations and approvals are required but expenses of personnel previously assigned to audit every expense report have been redeployed within administrative services.

#### Training/Title IX/CLERY Compliance

During FY17, UMass Dartmouth transitioned from its previous online training system to the EVERFI/Law Room online training compliance program. This resulted in a cost savings due to the system-wide RFP. Office of Diversity, Equity & Inclusion (ODEI) is actively utilizing an electronic (Symplicity/Advocate) tracking program to maintain records and workflow of all Title IX and Regulatory matters. In partnership with Public Safety and Student Affairs, this system has greatly improved the effectiveness and efficiency of Title IX and CLERY compliance and reporting.

#### Trade Labor Optimization

Administrative Services, Facilities Operations, and Campus Master Planning collaborated to develop and implement enhanced Facility Trade Labor agreements. This reduces the cycle time of small construction projects while ensuring fair pricing.

#### Electronic Sourcing Solution – an Update to FY16 Report

UMass Dartmouth's Procurement operation developed and led the RFP process for the five-campus system to procure an online, web-based solicitation solution. This was accomplished through a collaborative process with all the campuses. The solution provider, Bonfire, was implemented in February 2017.

The two key functions of the application are its reverse auction and distributive community evaluation capabilities. The reverse auction functionality will allow all campuses to compress associated procurement costs beyond traditional bid process capabilities. Bonfire's evaluation functionality provides access to responses online and walks evaluators through the process of evaluating the responses. This tool streamlines the process, enhances transparency, and supports sustainability.

#### Solar Net Metering Credit

This program was in its first full year in FY17 as both Solar Farm projects were operational for the entire year. This past year the University realized approximately \$500,000 in cost

avoidance associated with this project. It exceeded the estimate of \$390,000 that was used as part of the projection during the decision process.

Deferred maintenance - Distributed Steam and Condensate Line Replacements

We are in the final phase of repair of the steam condensate system on campus. With some sections of the system reaching 50 years old, this project is working toward a complete campus steam and condensate line replacement and upgrade in which the oldest steam and condensate lines and manholes are replaced and/or upgraded.

Improve physical access and security

Installation of master access control system door hardware and camera surveillance. Systems installed in new construction facilities, 150 camera installations in funnel point locations in Residential, Campus life, and Academic facilities. A Card access installation Library renovation project was completed to allow for monitored 24/7 access.

Conclusion

The campus has executed numerous initiatives to improve our service excellence through the University’s commitment to benchmarking our efficiencies. This has allowed the campus to anticipate and proactively align services, decrease expenses, and seek revenue opportunities.

***FY18 Revenue***

The Dartmouth campus has increased in-state undergraduate tuition and mandatory fees by \$383 or 2.9 percent. We used a flat state appropriation except in the calculation of fringe benefits. Our investment returns were conservatively budgeted. Revenues from auxiliary activities include an increase to housing of three percent and dining of five percent. However, with the flat enrollment and the closing of a freshman dorm in Spring 2018, gross auxiliary revenues are expected to decline but net revenue will remain similar to FY17 budget as of current actuals (as of March 31, 2017).

***In-State Undergraduate Tuition & Mandatory Fees***

	<b><i>FY 17</i></b>	<b><i>FY 18</i></b>	<b><i>\$ Change</i></b>	<b><i>% Change</i></b>
Dartmouth	\$13,188	\$13,571	\$383	2.9%

***FY18 Expenditures***

The budget office, in conjunction with other academic and service units, has scrutinized every expenditure line. Depreciation is increasing by 5.9 percent or \$1.08 million with the CCB and SMAST expansions. Various operational expenses including worker’s compensation, compensated absences, summer salaries, accounts receivable and others result in a \$3.43 million or 7.96 percent increase.

### ***FY18 Enrollment***

The Dartmouth campus is projecting flat FTE enrollment for graduate and undergraduate students. The FY17 actual undergraduate enrollment was 250 students less than the original budgeted FTEs for FY17, and graduate enrollment was 42 students higher. This resulted in the FY18 budget reflecting a reduction of 209 students. The Law School is projected at FY17 actual enrollment.

<i>(Student FTEs)</i>	DARTMOUTH					
	Enrollment	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
				#	%	
Undergraduate (In State)	5,760	5,760	0	0.0%	6,128	
Undergraduate (Out of State)	530	530	0	0.0%	412	
<b>Total Undergraduate</b>	<b>6,290</b>	<b>6,290</b>	<b>0</b>	<b>0.0%</b>	<b>6,540</b>	
Graduate (In State)	650	650	0	0.0%	661	
Graduate (Out of State)	618	618	0	0.0%	565	
<b>Total Graduate</b>	<b>1,268</b>	<b>1,268</b>	<b>0</b>	<b>0.0%</b>	<b>1,226</b>	
<b>Total Enrollment</b>	<b>7,557</b>	<b>7,557</b>	<b>0</b>	<b>0.0%</b>	<b>7,766</b>	

### ***Retention/Persistence Efforts***

Freshman year was re-engineered to include focused advising/help services for undecided students. All colleges have added professional advisors to support undergraduates. The 4-year graduation rate increased from 28% (2014) to 36% (2016) while the 6-year graduation rate increased from 47% (2014) to 49% (2016).

### ***FY18 Staffing***

The Dartmouth campus has no plans for a reduction in force at this time. The campus began an Executive Staff Review Committee to review all vacant and proposed positions. The Committee is composed of senior level members of the cabinet who meet weekly to discuss various position requirements including promotions.



<i>(Employee FTEs)</i> Faculty & Staff	DARTMOUTH				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	FY2016
<b>Restricted</b>					
Faculty	3.6	3.6	-	0.0%	5.0
Professional	22.8	22.8	-	0.0%	21.0
Classified	2.3	2.3	-	0.0%	2.0
<b>Total Restricted</b>	<b>28.7</b>	<b>28.7</b>	<b>-</b>	<b>0.0%</b>	<b>28.0</b>
<b>Unrestricted</b>					
Faculty	472.0	472.0	-	0.0%	465.6
Professional	351.1	351.1	-	0.0%	328.2
Classified	354.7	354.7	-	0.0%	372.6
<b>Total Unrestricted</b>	<b>1,177.9</b>	<b>1,177.9</b>	<b>-</b>	<b>0.0%</b>	<b>1,166.4</b>
<b>Total Faculty &amp; Staff</b>	<b>1,206.5</b>	<b>1,206.5</b>	<b>-</b>	<b>0.0%</b>	<b>1,194.4</b>

### ***FY18 Programs – Planned changes***

Allocation of the academic affairs budget is continuously reviewed in order to realign resources to match enrollment, instructional and research needs of colleges and departments. Re-alignment of budget will be ongoing in the coming years as well. Academic Affairs will continue to work with Colleges and Departments to facilitate re-engineering of their existing programs, where needed and possible, to meet the changing needs of students.

### ***Key Metrics***

UMass Dartmouth is projecting a flat operating margin for FY18. The Campus has conservatively budgeted revenues and expenses to obtain a flat margin. Staffing costs remain the single largest expense and the lack of funding of prior years' collective bargaining agreements continues to hamper the campus' ability to make strategic investments and increase our operating margin. A debt ratio of 7.1 percent to operations, 7.4 percent when depreciation is removed but principal payments are included, is expected for FY18.

Key Indicators	Budget	Forecast	\$		Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	0.2%	0.6%	542	1,478	3.1%
Debt Ratio (& Debt P&I)	7.1%	7.2%	17,889	17,750	8.7%
Primary Reserve (& Unrestricted Net Assets)	8.0%	8.4%	20,074	20,626	6.9%

### ***Campus Budget Reductions***

In order to address the FY18 budget gap, the Dartmouth campus will implement the following budget reductions:

- Reduction of \$514,000 in contingency expenses.
- Data Center Optimization budget reduction of \$120,000.



- Proposed PeopleSoft Upgrade reduction of \$180,000 by cancelling external assistance.
- Reduction of School of Law non-personnel expenses of \$87,000.
- Reduction of \$334,000 in housing operating expenses.
- Closing one freshman dorm in Spring 2018 for savings of \$158,000
- Vendor contract savings of \$40,000.

***Conclusion***

UMass Dartmouth has constructed a proposed operating budget that relies on reasonably attainable revenues, aggressive controls on spending, and innovative strategies to deliver high quality service to our students, the region and the Commonwealth.

Attachments:

- Campus Budget One-Sheet
- Tuition & Fee Schedule

FY18 University Operating Budget – Dartmouth Campus  
 July 17, 2017

<i>(\$ in Thousands)</i>					
<b>DARTMOUTH</b>					
<b>Revenues</b>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>\$</b>	<b>%</b>	
Gross Tuition & Fees	118,478	114,439	4,039	3.5%	76,480
Tuition Discounts	(38,957)	(37,807)	(1,150)	3.0%	(35,987)
Net Tuition & Fees	79,521	76,632	2,889	3.8%	76,480
Grants	20,009	19,597	412	2.1%	18,511
Sales & Service, Educational	71	71	0	0.0%	71
Auxiliary Enterprises	49,918	48,212	1,706	3.5%	48,835
Other Operating	3,550	4,385	(835)	-19.1%	5,016
State appropriations (including fringe)	81,429	80,527	902	1.1%	75,971
Other NonOperating (excl. interest)	14,812	15,643	(831)	-5.3%	16,397
<b>Total Revenues</b>	<b>249,309</b>	<b>245,067</b>	<b>4,242</b>	<b>1.7%</b>	<b>241,281</b>
<b>Expenses</b>					
Salaries & Fringe	145,900	144,239	1,661	1.2%	142,174
Non-personnel	72,950	70,683	2,267	3.2%	63,166
Scholarships and fellowships	5,080	4,916	164	3.3%	5,001
Depreciation	19,391	18,311	1,080	5.9%	17,904
Interest	7,853	7,848	5	0.1%	7,968
<b>Total Expenses</b>	<b>251,175</b>	<b>245,997</b>	<b>5,178</b>	<b>2.1%</b>	<b>236,213</b>
<b>Operating Margin</b>					
UMass OM Calc Revenues	251,717	247,475	4,242	1.7%	243,647
Total Expenses	251,175	245,997	5,178	2.1%	236,213
<b>Surplus / (Deficit)</b>	<b>542</b>	<b>1,478</b>	<b>(936)</b>		<b>7,434</b>
<b>UMass OM Calc</b>	<b>0.2%</b>	<b>0.6%</b>			<b>3.1%</b>
<b>Key Indicators</b>					
	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>\$ FY2018</b>	<b>\$ FY2017</b>	<b>Actual FY2016</b>
Operating Margin (& Surplus/Deficit)	0.2%	0.6%	542	1,478	3.1%
Debt Ratio (& Debt P&I)	7.1%	7.2%	17,889	17,750	8.7%
Primary Reserve (& Unrestricted Net Assets)	8.0%	8.4%	20,074	20,626	6.9%
<b>(Student FTEs)</b>					
<b>DARTMOUTH</b>					
<b>Enrollment</b>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>#</b>	<b>%</b>	
Undergraduate (In State)	5,760	5,760	0	0.0%	6,128
Undergraduate (Out of State)	530	530	0	0.0%	412
<b>Total Undergraduate</b>	<b>6,290</b>	<b>6,290</b>	<b>0</b>	<b>0.0%</b>	<b>6,540</b>
Graduate (In State)	650	650	0	0.0%	661
Graduate (Out of State)	618	618	0	0.0%	565
<b>Total Graduate</b>	<b>1,268</b>	<b>1,268</b>	<b>0</b>	<b>0.0%</b>	<b>1,226</b>
<b>Total Enrollment</b>	<b>7,557</b>	<b>7,557</b>	<b>0</b>	<b>0.0%</b>	<b>7,766</b>
<b>(Employee FTEs)</b>					
<b>DARTMOUTH</b>					
<b>Faculty &amp; Staff</b>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>#</b>	<b>%</b>	
<b>Restricted</b>					
Faculty	3.6	3.6	-	0.0%	5.0
Professional	22.8	22.8	-	0.0%	21.0
Classified	2.3	2.3	-	0.0%	2.0
<b>Total Restricted</b>	<b>28.7</b>	<b>28.7</b>	<b>-</b>	<b>0.0%</b>	<b>28.0</b>
<b>Unrestricted</b>					
Faculty	472.0	472.0	-	0.0%	465.6
Professional	351.1	351.1	-	0.0%	328.2
Classified	354.7	354.7	-	0.0%	372.6
<b>Total Unrestricted</b>	<b>1,177.9</b>	<b>1,177.9</b>	<b>-</b>	<b>0.0%</b>	<b>1,166.4</b>
<b>Total Faculty &amp; Staff</b>	<b>1,206.5</b>	<b>1,206.5</b>	<b>-</b>	<b>0.0%</b>	<b>1,194.4</b>

**UNIVERSITY OF MASSACHUSETTS, DARTMOUTH**

**STUDENT TUITION & FEE SCHEDULES**

FY 2018 TUITION & MANDATORY FEES

FY 2018 NON-MANDATORY FEES

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

FY 2018 TUITION & MANDATORY FEES  
SUMMARY TABLE

	FY2016 Actual	FY2016 TR Effect	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
<b>UNDERGRADUATE</b>						
TUITION						
Undergraduate (resident)	\$1,417	\$12,183	\$12,783	\$13,166	\$383	3.0%
Undergraduate (non-resident)	\$8,099	\$25,768	\$27,068	\$27,880	\$812	3.0%
Undergraduate (regional & proximity)			\$17,293	\$17,891	\$598	3.5%
CURRICULUM SUPPORT FEE						
Undergraduate (resident)	\$10,181	\$0	\$0	\$0	\$0	0.0%
Undergraduate (non-resident)	\$17,084	\$0	\$0	\$0	\$0	0.0%
Undergraduate (regional & proximity)			\$0	\$0	\$0	0.0%
MANDATORY FEES						
Student Fee	\$155	\$155	\$155	\$155	\$0	0.0%
Technology Fee	\$250	\$250	\$250	\$250	\$0	0.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Undergraduate (resident)	\$12,003	\$12,588	\$13,188	\$13,571	\$383	2.9%
Undergraduate (non-resident)	\$25,588	\$26,173	\$27,473	\$28,285	\$812	3.0%
Undergraduate (regional & proximity)			\$17,698	\$18,296	\$598	3.4%
RESIDENTS ONLY						
Standard Room	\$7,609	\$7,609	\$7,951	\$8,191	\$239	3.0%
Standard Board	\$4,013	\$4,013	\$4,345	\$4,562	\$217	5.0%
Residential Telecommunications	\$0	\$0	\$0	\$0	\$0	0.0%
Subtotal	\$11,622	\$11,622	\$12,296	\$12,753	\$456	3.7%
<b>TOTAL TUITION AND ROOM &amp; BOARD</b>						
Undergraduate (resident)	\$23,625	\$24,210	\$25,484	\$26,324	\$840	3.3%
Undergraduate (non-resident)	\$37,210	\$37,795	\$39,769	\$41,038	\$1,268	3.2%
Undergraduate (regional & proximity)			\$29,994	\$31,049	\$1,054	3.5%
<b>GRADUATE</b>						
TUITION						
Graduate (resident)	\$2,071	\$14,294	\$14,999	\$15,449	\$450	3.0%
Graduate (non-resident)	\$8,099	\$25,768	\$27,068	\$27,880	\$812	3.0%
Graduate (regional & proximity)			\$19,053	\$19,686	\$633	3.3%
Graduate Law School (resident)	\$2,071	\$24,386	\$25,836	\$26,611	\$775	3.0%
Graduate Law School (non-resident)	\$8,099	\$32,138	\$33,988	\$35,008	\$1,020	3.0%
Graduate Law School (regional & proximity)			\$27,934	\$28,831	\$898	3.2%
CURRICULUM SUPPORT FEE						
Graduate (resident)	\$11,638	\$0	\$0	\$0	\$0	0.0%
Graduate (non-resident)	\$17,084	\$0	\$0	\$0	\$0	0.0%
Graduate (regional & proximity)			\$0	\$0	\$0	0.0%
Graduate Law School (resident)	\$21,730	\$0	\$0	\$0	\$0	0.0%
Graduate Law School (non-resident)	\$23,454	\$0	\$0	\$0	\$0	0.0%
Graduate Law School (regional & proximity)			\$0	\$0	\$0	0.0%
MANDATORY FEES						
Student Fee	\$155	\$155	\$155	\$155	\$0	0.0%
Technology Fee	\$250	\$250	\$250	\$250	\$0	0.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Graduate (resident)	\$14,114	\$14,699	\$15,404	\$15,854	\$450	2.9%
Graduate (non-resident)	\$25,588	\$26,173	\$27,473	\$28,285	\$812	3.0%
Graduate (regional & proximity)			\$19,458	\$20,091	\$633	3.3%
Graduate Law School (resident)	\$24,206	\$24,791	\$26,241	\$27,016	\$775	3.0%
Graduate Law School (non-resident)	\$31,958	\$32,543	\$34,393	\$35,413	\$1,020	3.0%
Graduate Law School (regional & proximity)			\$28,339	\$29,236	\$898	3.2%
RESIDENTS ONLY						
Standard Room	\$7,609	\$7,609	\$7,951	\$8,191	\$239	3.0%
Standard Board	\$4,013	\$4,013	\$4,345	\$4,562	\$217	5.0%
Residential Telecommunications	\$0	\$0	\$0	\$0	\$0	0.0%
Subtotal	\$11,622	\$11,622	\$12,296	\$12,753	\$456	3.7%
<b>TOTAL TUITION AND ROOM &amp; BOARD</b>						
Graduate (resident)	\$25,736	\$26,321	\$27,700	\$28,607	\$906	3.3%
Graduate (non-resident)	\$37,210	\$37,795	\$39,769	\$41,038	\$1,268	3.2%
Graduate (regional & proximity)			\$31,754	\$32,844	\$1,089	<b>76</b> 3.4%

FY 2018 NON-MANDATORY FEES

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
OTHER FEES					
Athletic Fee	\$0	\$0	\$0	\$0	0.0%
Health fee	\$0	\$0	\$0	\$0	0.0%
Campus Center	\$0	\$0	\$0	\$0	0.0%
Administrative Fees					
Orientation (Freshmen)	\$250	\$260	\$265	\$5	1.9%
Orientation International students	\$260	\$260	\$260	\$0	0.0%
Orientation Transfer Students	\$150	\$150	\$150	\$0	0.0%
Graduation Fee (final semester only)	\$180	\$180	\$180	\$0	0.0%
Nursing Exam Prep Fee	\$219	\$219	\$356	\$137	62.6%
Readmit Fee (students withdrawals and reapply)	\$60	\$60	\$60	\$0	0.0%
Continuation of Thesis Fee	\$250	\$250	\$250	\$0	0.0%
Withdrawn on Exchange Fee foreign exchange programs	\$250	\$250	\$250	\$0	0.0%
Withdrawn on Exchange Fee Formal exchange programs	\$600	\$600	\$600	\$0	0.0%
Withdrawn on Exchange Fee-Co-op Exchange programs	\$105-\$305	\$105-\$305	\$105-\$305	\$0	0.0%
Student Teaching Practicum	\$750	\$750	\$750	\$0	0.0%
Health Fees					
Health Insurance	TBD	TBD		TBD	TBD
International Fees					
International Student Fee	\$500	\$520	\$520	\$0	0.0%
Hessen Exchange Program Fee German Exchange Program	\$5000-\$7200	\$10,000-\$14,400	\$10,000-\$14,400	\$0	0.0%
Program Fees					
Arts & Sciences Major Fee (Humanities & Social Sciences)	\$383	\$402	\$414	\$12	3.0%
Arts & Sciences Major Fee (Sciences)	\$767	\$805	\$829	\$24	3.0%
Visual & Performing Arts Major Fee	\$819	\$851	\$876	\$25	2.9%
Business Major Fee	\$420	\$441	\$455	\$14	3.2%
Nursing Major Fee	\$605	\$726	\$805	\$79	10.9%
Engineering Major Fee	\$767	\$805	\$1,200	\$395	49.1%
SMAST Major Fee	\$719	\$748	\$770	\$22	2.9%
SEPPCE Major Fee (formerly paying Arts & Sciences Fee)	\$383	\$402	\$414	\$12	3.0%
Technology Fee Law School	\$200	\$200	\$0	-\$200	-100.0%
Law School Summer Fee (per credit)	\$1,020	\$1,071	\$1,102	\$31	2.9%
Other Fees (Not Student Related)					
Applied Music (private music lessons)	\$618	\$643	\$662	\$19	3.0%
Alumni Fee**(final semester only)	\$20	\$20	\$20	\$0	0.0%

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
AUXILIARY CHARGES					
Auxiliary Fees					
Room and Board:					
Single Room	\$8,514	\$8,897	\$9,165	\$267	3.0%
Double Room	\$7,609	\$7,951	\$8,191	\$239	3.0%
Design Triple/Quad Room, Non A/C Trad	\$7,432	\$7,766	\$7,999	\$233	3.0%
Triple Room,w A/C: OG	\$7,600	\$7,942	\$8,179	\$237	3.0%
Double Room,A/C:OG/PD	\$8,101	\$8,466	\$8,719	\$254	3.0%
Cedar Dell "A" Room	\$8,407	\$8,785	\$9,049	\$264	3.0%
Cedar Dell	\$8,554	\$8,939	\$9,208	\$269	3.0%
New Apartments-4 Bedroom	\$8,935	\$9,337	\$9,618	\$281	3.0%
New Apartments-2 Bedroom	\$9,738	\$10,176	\$10,481	\$305	3.0%
Single,2-bed/1 bath a/c:Woodlands	\$9,336	\$9,756	\$10,049	\$293	3.0%
TeleCom Fee	\$0	\$0	\$0	\$0	0.0%
19 Meal Plan	\$4,013	\$0	\$0	\$0	0.0%
14 Meal Plan	\$3,900	\$0	\$0	\$0	0.0%
10 Meal Plan	\$3,492	\$0	\$0	\$0	0.0%
New Meal Platinum Plan	\$0	\$4,519	\$4,745	\$226	5.0%
New Meal Gold Plan	\$0	\$4,345	\$4,562	\$217	5.0%
New Meal Silver Plan	\$0	\$4,345	\$4,562	\$217	5.0%
New Meal Bronze Plan	\$0	\$2,720	\$2,856	\$136	5.0%
Parking:					
Reserved	\$550	\$550	\$550	\$0	0.0%
Near Building Spaces	\$0	\$0	\$0	\$0	0.0%
Additional Overnight Parking	\$0	\$0	\$0	\$0	0.0%
Summer Session	\$25	\$25	\$25	\$0	0.0%
Part-Time Students	\$50	\$50	\$50	\$0	0.0%
Part-Time Faculty & Staff	\$75	\$75	\$75	\$0	0.0%
Full-Time Students	\$185	\$185	\$185	\$0	0.0%
Resident Students	\$235	\$235	\$235	\$0	0.0%
Full-Time Faculty, Staff	\$150	\$150	\$150	\$0	0.0%
Program Fees (Continuing Education)					
*Division of Continuing Education					
Undergraduate Tuition (per credit)	\$313	\$322	\$332	\$10	3.1%
Undergraduate Tuition Accelerated BS in Nursing (per credit)	\$0	\$631	\$650	\$19	3.0%
Graduate Tuition (per credit)	\$368	\$379	\$0	(\$379)	-100.0%
Undergraduate Tuition On-Line (per credit)	\$313	\$322	\$332	\$10	3.1%
Graduate Tuition On-Line (per credit)	\$368	\$379	\$0	(\$379)	-100.0%
Graduate Tuition EDU & MAT program (per credit)	\$368	\$379	\$390	\$11	2.9%
Graduate Tuition ABA Program (per credit)	\$439	\$452	\$466	\$14	3.1%
Graduate MBA &MPP Program (per credit)	\$521	\$537	\$553	\$16	3.0%
Graduate MS in Computer Science Program	\$521	\$537	\$553	\$16	3.0%
Graduate MS in Nursing (per credit)		\$537	\$553	\$16	3.0%

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
On-line Technology Fee	\$150-\$200	\$150-\$200	\$150	\$0	0.0%
Application Fee	\$60	\$60	\$60	\$0	0.0%
Application Fee-ESL/ALCI	\$0	\$60	\$60	\$0	0.0%
ALCI/ESL Program Fee (per semester)	\$0	\$5,950	\$6,128	\$178	3.0%
Non-Credit Tuition	\$15-\$2000	\$15-\$2000	\$15-\$2000	\$0	0.0%
Campus Center (per credit )	\$5	\$5	\$5	\$0	0.0%
Library Fee (per credit)	\$6	\$6	\$6	\$0	0.0%
Registration (flat fee)	\$30	\$30	\$30	\$0	0.0%
Prior Learning Workshops	\$2,128	\$2,128	\$2,128	\$0	0.0%
College Fees	\$390-\$819	\$402-\$851	\$414-\$1200	\$0	0.0%
Corporate Contract Fee	\$133-\$500	\$133-\$500	\$137-\$515	\$0	0.0%
Pathways Program Fee in state (per semester)	\$5,236	\$5,298	\$5,430	\$132	2.5%
Pathways Program Fee out of state (per semester)	\$8,675	\$9,147	\$9,421	\$274	3.0%
Pathways Program Fee proximity(per semester)	\$6,949	\$7,221	\$7,438	\$217	3.0%
Cape Cod Fee	\$45	\$0	\$0	\$0	0.0%
Student Teacher Practicum Fee (per 3 credits)	\$750	\$750	\$773	\$23	3.1%
Residential Study Abroad Undergraduate Resident Program Fee	\$24,210	\$0	\$0	\$0	0.0%
Residential Study Abroad Undergraduate Non-Resident Program Fee	\$37,795	\$0	\$0	\$0	0.0%
Residential Study Abroad Undergraduate Regional Program Fee	\$28,374	\$0	\$0	\$0	0.0%
Residential Study Abroad Undergraduate Proximity Program Fee	\$28,374	\$0	\$0	\$0	0.0%

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
Administrative Fees					
Application Fee (In-State)	\$60	\$60	\$60	\$0	0.0%
Application Fee (Non-State)	\$65	\$65	\$65	\$0	0.0%
Registration Fee Law School	\$200	\$200	\$200	\$0	0.0%
Late Fee	\$50	\$50	\$50	\$0	0.0%
Late Registration Fee (graduate only)	\$100	\$100	\$100	\$0	0.0%
Transcript Fee-Freshman Only	\$100	\$100	\$100	\$0	0.0%
Transcript nondegree only	\$20	\$20	\$20	\$0	0.0%
ID (Replacement Only)	\$25	\$25	\$25	\$0	0.0%
Enrollment Deposit	\$200	\$200	\$200	\$0	0.0%





# LOWELL CAMPUS



### **FY18 Campus Budget Overview**

The University of Massachusetts Lowell submits for review and approval its Fiscal Year 2018 Operating Budget totaling approximately \$454 million. The 2018 Operating Budget presents a general plan for the year and outlines our priorities, resources and planned use of funds in FY 2018. The document considers the FY2016 actual financial statement results, the forecasted results for FY2017 and the projected outcome for FY2018 based on the campus budget planning and parameters established by the President's Office. Lowell's FY2018 Operating Budget has been developed within the context of the multi-year financial plan reviewed by the Board of Trustees in September of 2016.

Key revenue and expense assumptions of the FY2018 budget include:

- State appropriation that reflects level funding from FY2017.
- Projected 4.2% increase in revenue from tuition and fees (net of financial aid) resulting from student charge increases for in-state and out-of-state students and growth in undergraduate, graduate, out-of-state and continuing studies enrollment. Enrollment growth and rate increases are also driving 10.5% increase in auxiliary revenues.
- Strategic growth-related cost increases include new faculty to maintain an 18 to 1 student to faculty ratio, financial aid and increases in operating funds for new facilities (Pulichino-Tong Business Center, Perkins residential hall and new recreational fields).
- Salary costs will increase 4.1% over last year and the cost of providing benefits is projected to increase 14% mostly due to the fringe rate increase.
- Other cost drivers include depreciation, operations and maintenance expenses and continued investments for the campus Division 1 and recreation program upgrades, classroom technology and network improvements.

The overall result of the changes in budgeted revenues and expenses for FY2018 is a projected \$2.6 million surplus or a 0.6% operating margin. However, if the final state appropriation allocation to the Lowell campus is less than what is built into this budget and/or if the University does not support the student charge increases requested, the campus will have to implement more drastic budget solutions than those that are already planned which will stunt the campus strategic growth plan. In FY17, the campus reduced personnel and non-personnel budgets by \$7.0 million including \$1.3 million in staff positions, \$500,000 in Financial Aid, a \$2.4 million cut to unit budgets and \$2.8 million in savings by holding our student/faculty ratio to 18:1. Based upon the campus internal budgeting process, some \$10 to \$12 million of strategic budget requests are expected to go unfunded in FY18.

### **UMass Lowell 2020 Strategic Plan**

Last year, UMass Lowell formally launched the public phase of *Our Legacy, Our Place: The Campaign for UMass Lowell*. This comprehensive fundraising campaign has a goal of \$125 million by 2020 and five clearly defined priorities consistent with the vision outlined in our strategic plan:



- Increase student scholarships to alleviate the student debt burden;
- Invest in first-rate faculty;
- Enhance our facilities and campus;
- Bolster our Division I athletics program; and
- Strengthen our alumni engagement.

The campus has recently passed the \$100 million mark highlighted by a number of successful milestones including the opening of the Pulichino-Tong Business Center, the naming of the both the Solomont School of Nursing and the Zuckerberg College of Health Sciences.

The University of Massachusetts Lowell embarked on a strategic planning process in 2010 to define our vision for the future and create a road map to achieve our ambitious goals by 2020. We have regularly reviewed the plan with stakeholders from across the university community including the President's Office and Board of Trustees.

We hold ourselves accountable to the goals we have set. To measure our progress, the university publishes an annual Report Card ([UMass Lowell Report Card](#)). It is a useful gauge of what we have accomplished and what work remains ahead of us. Both the Strategic Plan and Report Card were updated in March of 2017 and the multi-year financial plan (MYFP) is currently under review to reflect the planning, goals and benchmarks contained in the update. The Lowell campus continues to aggressively pursue non-state revenues through expanded auxiliary operations such as hospitality and events services, our highly successful on-line, corporate and continuing education program and partnerships with industry and corporations.

Since 2010, the campus has made great progress in every area. Enrollment has climbed, research flourished, opportunities for experiential and international learning increased, the endowment has grown and collaborations with industry and other partners are thriving. In a sign of the national and international recognition of this progress, the university has steadily climbed in numerous college rankings.

Headcount enrollments grew 53% between 2007 and 2016 and are projected to grow 2.0% this Fall 2017. UMass Lowell is expanding out-of-state and international enrollments, Master's and on-line enrollments and is focused on increasing the retention and persistence of current students to maintain enrollment levels and improve student outcomes. The campus facilities master plans address the pressures of current and future growth including demand for new academic programs and residential and recreational facilities and the continued need to renew facilities with systems that show signs of obsolescence and address the backlog of deferred maintenance. There are no new buildings planned for the near future. The focus of our efforts is on right-sizing and rationalizing space utilization, addressing deferred maintenance and making ADA-related improvements to all our facilities.



### Multi-year Financial Planning

**A critical element of the strategic plan is that it be financially sustainable into the future.** The campus multi-year financial planning targets and annual operating budget goals are directed toward achieving positive annual operating margins, building sufficient reserves and maintaining a debt service ratio under the University policy cap of 8 percent. The strategic plan and updates to the campus multi-year financial plan and capital plan are reviewed annually by the President's Office and the Board of Trustees and have received support.

Enrollment growth has been a driving force behind the success of the strategic plan. Growing enrollments, resulting from growing demand, has created economies of scale in facilities use and service delivery and generated the additional revenues to make further investments in those areas that would improve student success and enhance the quality of the academic and research program including the many new and renovated facilities across all three campuses.

The campus has embraced and is implementing many academic and administrative efficiency and effectiveness initiatives and ideas generated throughout the University system. It is through the combination of increasing revenues through enrollment, fundraising, sponsored research and entrepreneurial activities and controlling costs that will result in a financially sustainable future. Slowing down any of these efforts will impact progress.

The last time the campus and University system updated the multi-year financial plan (FY2017 to FY2021) was in September of 2016. The next update is expected in September, however, some key planning assumptions have been adjusted to reflect the updated strategic plan including a reduction in the campus enrollment target for 2020 from 20,000 headcounts to 19,000 and related revenue and expense items such as tuition and financial aid.

These baseline assumption adjustments impacted the operating margins and ratios presented in the September 2016 and are reflected in the FY2018 Operating Budget. We believe these adjustments are appropriate to make at this time and will continue to refine our projections as we develop our next multi-year financial plan update and the scheduled campus strategic plan presentation to the Board in December.

Key elements of our strategic planning include:

### Academic Program Vision and Value Proposition

UMass Lowell strives to offer our students the highest quality academic programs, hands-on learning, and the application of classroom knowledge for applied real-world problem solving. As a result of these educational elements, UMass Lowell students have high placement rates upon graduation in meaningful, well-paying careers. We are fortunate to have a large cadre of private-sector partners for internships, co-op experiences, service-learning opportunities, capstone project sponsors, and DifferenceMaker project advisers. These partnerships also extend to our



cooperative research endeavors. This immersion in real-world applications is foundational to the educational experience at UMass Lowell.

The value proposition of UMass Lowell is ***a highest tier educational experience coupled with affordability***. We understand many of our students are first-generation students from diverse socio-economic backgrounds and are therefore conscious to keep tuition and fees as low as possible while enabling the growth in services essential to provide our expanding student body with high quality support, such as advising and mentorship. We are also conscious to allocate significant financial aid resources in our budget in order to meet the needs of our students, enabling them to graduate with a minimal debt burden compared to peer institutions. This effort has continually improved our graduation rates.

The University uses a number of comprehensive reviews (AQAD, accreditation, new program approval processes, etc.) to assess quality, student demand, student satisfaction, areas of improvement, and new opportunities for investment or reallocation. As a result of such periodic reviews, several programs have been modified or closed. Regional, Economic and Social Development (RESO), Civil Engineering Technology, and Industrial Technology were closed, and Nuclear Engineering was consolidated into the Chemical Engineering curriculum as a Nuclear Engineering option. In addition, 13 Graduate Certificate programs were discontinued due to consistently low demand.

Implementation of the DataMart this year has enabled effective assessment of departmental productivity. Multi-dimensional plots of productivity indicators identify programs that are strong in multiple areas. We are able to assess academic degree program and departmental productivity in ways that we have not been able to accomplish systematically in the past. This will allow us to deploy our faculty resources and academic budgets more strategically, efficiently and with greater effectiveness.

### Enrollment Strategy

#### First-Time First-Year Undergraduates

- As previously noted, the campus has reduced its 2020 enrollment target from 20,000 headcount (15,500 FTE) to 19,000 headcount (15,000 FTE). This change represents an annual growth rate of 2.0% year-on-year (FTE students).
- Our fall 2016 enrollment was 17,853. Our goal for **FY 18 with a target of 2.0% growth is 18,210**. Reaching this target is dependent upon a combination of recruitment of First-Time First-Year (FTFY) freshman, recruitment of transfer students, retention of admitted students, progress of upperclassmen in their degree plans, and graduation rates.
- Our incoming class of FTFY undergraduate enrollment in FY17 was 1,683. Our goal for FY18 is 2.0% growth. We attribute this increase to the engagement efforts of our

department chairs and deans this past year, and their emphasis on yielding admitted students through welcome days and orientation.

- Target X, anchored by Salesforce, has improved recruitment efforts by providing additional resources, including real-time measurement of engagement with prospective students, texting capabilities, and analytics that inform current and future marketing strategies. It has also provided a consolidated platform to manage daily operations, including more efficient and effective management of responses to inquiries from prospective students.
- We are making efforts to maintain the **current level of 1,758 transfer students for this year**, 1,200 enrolled for fall 2017 and 558 enrolled in January 2017. Maintaining this level of transfer students is dependent upon continued good relations with community college partners and state universities, through reverse transfer arrangements that mutually benefit both partners, in addition to maintaining the steady stream of transfer students from private institutions.

#### Undergraduate Retention strategy

- Understanding our student body and their challenges is crucial to our retention strategy. We have instituted a new retention structure, which centrally coordinates all deans' office advising personnel, professional academic advisors, Dean of Academic Services, Vice Provost for Student Success, and Dean of Student Affairs. This structure includes coordinated tracking and outreach through Salesforce, understanding obstacles to student success, early intervention for students in academic difficulty, targeted advancement funds at the disposal of the Vice Provost for Student Success to address acute retention issues.
- Advising is critical to student success and retention. An integral part of the new retention strategy includes innovative approaches to advising.
  - Our new advising model ensures that each student will have an assigned professional staff adviser as well as an assigned faculty mentor. The advising "community" in each college will include an Honors liaison, and a Centers for Learning liaison for tutoring support.
  - Through the River Hawk Scholars Academy – a new program – we have invited 575 students possibly needing extra support into an integrated program of advising, a living learning community, tutoring services, first-year service-learning projects, strategies for success, and enrichment activities.
- The first year engagement experiences are critical to student success and retention. We have instituted first-year seminars in each college tied to disciplines and career opportunities. Students are offered the chance to participate in the DifferenceMakers program and service learning opportunities, and we have expanded out Living-Learning Communities to 33.



### Financial Aid Strategy

The campus has set a 2020 goal to reduce undergraduate debt at graduation to \$30,000. This is an ambitious target that will require additional funding for financial aid as well as an all campus approach to supporting financial literacy programming for students and reducing time to degree completion. Institutional financial aid increased nearly \$20 million between FY2014 and FY2017 from \$41.8 million to \$61.5 million (per the University Financial Aid Report). The FY2018 operating budget includes an increase of \$4.2 million in financial aid (an additional \$1.1 million in financial aid has been requested and is under review). The new funds will allow us to meet approximately 88% of need as we continue to review the balance between need and merit aid and how we use endowment and campus funds to attract and retain students.

### Graduate Student Enrollment Strategy

- This year we restructured the Office of Graduate Programs, which now reports to the Vice Provost for Innovation & Workforce Development. These, and other, changes were the result of a comprehensive review of services by an external consultant. The institution of the new structure included the implementation of Target X for identifying, tracking and recruiting prospective tuition-paying graduate students.
- The next cycle masters enrollment strategies will focus on the following:
  - Local recruitment with key partners through vertical industry associations, preferred graduate programs, and executive education
  - National recruitment focused on STEM graduate fields
  - Bachelors to masters transition focusing on scholarship funds to veterans and current bachelor students

### Online Strategy

- Online course enrollments grew 156% from AY07 to AY16 or from 10,476 to 26,834. A tremendous achievement but one that will be hard to match in the current competitive marketplace. Therefore, the campus has conservatively planned to grow course enrollments to 29,500 by 2020. Greater collaboration among the Colleges, Online and Continuing Education, business and industry will help us move forward in this critical area.
- Currently 85% of our online and continuing education courses are offered online; the target is to move this number closer to 95% in the coming years to further increase operating revenues, meet student demand and reduce growth pressures on our facilities.
- New strategic programming initiatives next year will include developing online concentrations for the newly launched Master of Science in Engineering Management as well as a new online Master's degree in Public Administration.
- Corporate partnerships that contribute to workforce development in the state of Massachusetts will be expanded. Online and Continuing Education recently renewed a partnership with Mass Development to continue its' financial support of two very popular UMass Lowell online graduate certificate programs for the next three years: 1.) Graduate





Certificate program in Cyber Security offered at Hanscom Air Force Base and 2.) Graduate Certificate program in New Venture Creation at Natick Labs.

- UMass Lowell already has a sizeable number of online enrollments outside of Massachusetts and will invest in recruiting more students nationwide.
- To better accommodate our increasing online student population, the campus will modernize our student support services. (For example, virtual open houses, virtual information sessions, Live Chat, expanded online appointment scheduling, Skype advising, and online graduation interviews.)

### Employee Planning

- As part of our multi-year planning the campus targets an overall student to faculty ratio of 18 to 1 and allocates new funding for faculty to maintain that ratio as enrollments grow and change. We are currently operating at 17.8 to 1.
- The campus eliminated or deferred 40 staff positions over FY2016 and FY2017 to adjust to the reduction in state support and impacts of the then unfunded collective bargaining agreements and intends to selectively hire staff in critical areas to support increased campus square footage, provide student support services and support the strategic plan.
- The campus implemented an essential hiring review process in 2016 and proactively manages and budgets all positions to maximize vacancy savings during the fiscal year and to control growth in the base budget. This allows us to realize one time savings from vacancies on an annual basis

### Fundraising

- Using the Twelve Characteristics of a Successful Advancement Program as a guidepost, FY18 will find an enhanced effort in both alumni engagement and focused fundraising. In addition to our continued approach to increasing the endowment for student financial aid and faculty support, we will accelerate our fundraising efforts for the renovations of Perry Hall and Coburn Hall.
- Given the incredible success of our first-ever Days of Giving in FY17, we now have a full year to amend and plan for the next such campaign. We will use this as a way to inspire giving among new donors, as well as to bring lapsed donors back into the fold.
- With the success of the system-wide alumni events and the growth of our alumni activity worldwide, we will continue to grow both the breadth and depth of our alumni participation.
- With a stable Advancement staff in place, we will work with the UMass Foundation to add training opportunities for our staff, to increase their fundraising and engagement capacity.
- FY18 will see us close in on our initial Campaign goal of \$125 million, and will allow us to target the priority pillars of the campaign for future funding potential.





**FY18 Revenue**

*State Support*

The University of Massachusetts Lowell FY2018 operating budget utilizes the state appropriation allocation assumptions proposed by the President’s Office. The FY2018 state appropriation allocation assumption of \$118 million includes fringe benefits and funding to support estimated bargaining unit increases for state funded employees.

*Student Charges*

The university has proposed increasing mandatory tuition and fees by \$493 for all in-state undergraduate students and \$990 for out-of-state undergraduates.

**In-State Undergraduate Tuition & Mandatory Fees**

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Lowell	\$14,307	\$14,800	\$493	3.4%

The enrollment growth and student charge increases will result in an estimated 5% increase in tuition and fee revenue (net of financial aid). Enrollment growth and efforts to expand the residential experience for students will generate a 10.5% increase in revenues from Residential Housing and Food Services. New revenues from new beds and rate increases will support inflationary increases and capital improvements to residential and dining facilities including new Fox Hall elevators, Hawksnest East Dining Hall, new East campus lounge furniture and the opening of the new east campus residential hall with nearly 800 beds. Financial aid continues to grow as a percent of tuition revenues to mitigate student charge increases. This ratio is expected to be 17.9% in FY18 up from 15.7% in FY16.

*Grants & Contracts*

Grant and contract revenue from all sources is projected to increase 4.2% in FY2018. In FY17 the university renegotiated the federal Facilities and Administration (overhead) rate up from 51% to 53% in FY17. The F&A rate will further increase to 55% in FY18 and 56.5% in FY19. F&A return is critical to offset costs incurred to support research and to seed and stimulate new research grants.

**FY18 Expenditures**

Total campus operating expenditures are budgeted to increase 4.6% to accommodate enrollment growth, new facilities (including a full-year of the Pulichino-Tong Business Center and the new Residential Hall on East campus), and inflation and to partially restore cuts from previous years. The overall result of the changes in revenues and expenses is a projected positive 0.6% operating margin for FY2018. As previously, noted achieving this bottom line will require the campus to continue to reallocate and reduce funding for personnel and non-personnel activities. Based



upon the campus internal budgeting process, some \$10 to \$12 million of strategic budget requests are expected to go unfunded in FY18.

#### *Capital Planning & Facility Improvements*

During Fiscal Year 2018, UMass Lowell will continue to move forward with its highest priority capital projects, primarily a renovation program, despite a multiyear hiatus in state support for our capital plan. As previously noted there are no new buildings planned for the near future. The focus of our efforts is on improving space utilization, addressing deferred maintenance and making ADA-related improvements to all our facilities.

In February of 2015, the campus borrowed \$100 million through UMBA to finance the McGauvran Dining hall renovation project, the Pulichino-Tong Business (PTB) Center construction project and the acquisition of Perkins Apartments which are being converted to student housing for fall 2017. McGauvran opened in spring of 2015 and the PTB project was dedicated in April 2017. Additionally, the significant North Campus Quad pod project, which provided vital ADA and infrastructure improvements, was completed in the fall of 2016. This project and the space freed up with the occupancy of the PTB, provide a tremendous opportunity to begin the much-needed upgrades to the North Campus Science and Engineering buildings. Perry Hall (engineering) is moving forward despite the current pause in state capital funding. All projects were completed on time and on budget.

Based on an in depth FY16 analysis conducted by Sightlines, the campus has a deferred maintenance project backlog of \$ 752 million that needs to be addressed over the next 10 years. While documenting the challenges, the study also commended UMass Lowell's commitment to capital investments in major renovation projects and its annual funding of deferred maintenance projects, which exceeds that of peer institutions.

Nearly sixty percent of this backlog represents immediate needs (0-3 years) whereby critical facility subsystems such as HVAC, electrical and plumbing systems, building envelopes and roofs have impending failure or are functioning at greatly degraded efficiency and increased expense. In addition, the Sightlines report has identified the systems that will come to the end of their useful lives over the next ten years as well as those spaces that will need renewal such that they can continue to meet the programmatic needs of the campus.

Nearly 90% of the financial need is in 58% of UMass Lowell's built square footage. To simultaneously meet the functional needs of a growing research university as well as reduce the deferred maintenance backlog, the campus has prioritized renovation projects in its capital plan. The vast majority of spending planned during the FY2017-21 period will address longstanding deferred maintenance and increase the accessibility, utilization, and functionality of existing campus buildings. Key projects include the full renovation of Coburn Hall, the complete renovation of three floors of Pasteur Hall, and the phased renovation of Olsen Hall.



Continued annual increases in operating budget allocations to preventative and on-going maintenance will also slow the growth of the backlog. The University’s operating budget fully recognizes the costs of depreciation (consistent with the financial statement presentation). This recognition provides cash flow for campus capital improvements.

The campus has started or completed nearly all of the major new facilities to be funded with debt in the current five-year capital plan. Moving forward, the primary sources of funds for new facilities, renewal, renovations and deferred maintenance will be the state, gifts, campus operating budgets and other external sources. The multi-year capital and financial plans are synchronized and updated regularly.

### FY18 Enrollment

The Lowell campus anticipates an overall headcount enrollment increase of 2.0% for Fall 2017 to 18,200 students on the way to our 2020 target of 19,000. As indicated, UMass Lowell is expanding out-of-state and international enrollments, Master’s and on-line enrollments and is focused on increasing the retention and persistence of current students to maintain enrollment levels and improve student outcomes.

<i>(Student FTEs)</i> Enrollment	LOWELL				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	FY2016
Undergraduate (In State)	9,537	9,350	187	2.0%	9,585
Undergraduate (Out of State)	1,883	1,846	37	2.0%	1,379
<b>Total Undergraduate</b>	<b>11,420</b>	<b>11,196</b>	<b>224</b>	<b>2.0%</b>	<b>10,964</b>
Graduate (In State)	1,568	1,537	31	2.0%	1592
Graduate (Out of State)	1,200	1,176	24	2.0%	1064
<b>Total Graduate</b>	<b>2,767</b>	<b>2,713</b>	<b>54</b>	<b>2.0%</b>	<b>2,656</b>
<b>Total Enrollment</b>	<b>14,187</b>	<b>13,909</b>	<b>278</b>	<b>2.0%</b>	<b>13,620</b>

### FY18 Staffing

The campus has budgeted faculty in FY2018 with a targeted 18:1 student faculty ratio. Staffing levels have increased in areas of critical importance to the strategic plan, primarily in the facilities, public safety, student services and academic support areas. However, the campus intends to limit any new staff hires in FY2018 to only those personnel essential to the health and safety of the campus community or are critical to enhancing student success and revenue growth.



<i>(Employee FTEs)</i>		LOWELL			
Faculty & Staff	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
			#	%	
<b>Restricted</b>					
Faculty	10.2	10.2	-	0.0%	9.3
Professional	106.6	92.6	14.0	15.1%	104.5
Classified	-	-	-	-	-
<b>Total Restricted</b>	<b>116.8</b>	<b>102.8</b>	<b>14.0</b>	<b>13.6%</b>	<b>113.8</b>
<b>Unrestricted</b>					
Faculty	790.0	752.9	37.2	4.9%	745.7
Professional	788.0	768.9	19.1	2.5%	752.5
Classified	237.0	219.0	18.0	8.2%	222.0
<b>Total Unrestricted</b>	<b>1,815.0</b>	<b>1,740.7</b>	<b>74.3</b>	<b>4.3%</b>	<b>1,720.2</b>
<b>Total Faculty &amp; Staff</b>	<b>1,931.8</b>	<b>1,843.5</b>	<b>88.3</b>	<b>4.8%</b>	<b>1,834.0</b>

### FY18 Programs – Planned Changes

The FY18 operating budget supports the following recently approved programs:

- BS in Education with certification in Special Education
- BSE in Environmental Engineering
- BSE in Biomedical Engineering

The MS in Pharmaceutical Science and the PhD in Pharmaceutical Science were both activated in the fall of 2016 and will be showing additional growth in 2017.

It should be noted that the campus suspended both the BS in Pharmaceutical Science and the Doctor of Pharmacy (PharmD) programs in October of 2016 as our financial analysis did not indicate that these programs were tenable at this time.

The campus is preparing a request for a BA in Digital Media that will be brought to the Board for review later this year.

### Key Metrics

#### Operating Margin

The University's original FY2017 Operating Budget approved by the Board of Trustees had a planned operating margin of 0.5% or \$2.4M. Currently, the campus is forecasting a slightly better operating margin of \$3.7M or a 0.8%. The campus is budgeting a \$2.6M or 0.6% operating margin for FY2018.



*Debt Ratio*

The campus projects our debt ratio to increase from 7.2% in FY17 to 7.6% in FY18 reflecting the impact of completed projects including PTB, McGauvran and Perkins. Our multi-year plan continues to hold this ratio under the 8.0% policy threshold.

*Primary Reserve Ratio*

We forecast our FY17 primary reserve ratio to be 21.4% and 18.3% in FY18. The FY18 decrease reflects our planned use of reserves to fund our capital program from campus unrestricted net assets. Projects funded with reserves include Perry Hall renovation, Fox Residence Hall Elevators, recreational field improvements as well as many deferred maintenance projects.

Key Indicators	Budget	Forecast	\$		Actual
	FY2018	FY2017	FY2018	FY2017	
Operating Margin (& Surplus/Deficit)	0.6%	0.8%	2,584	3,678	0.2%
Debt Ratio (& Debt P&I)	7.7%	7.2%	35,042	31,397	7.7%
Primary Reserve (& Unrestricted Net Assets)	18.6%	21.4%	84,292	92,862	21.4%

**Campus E&E Efforts**

Striving to improve services and support a sustainable financial future are key elements of the Entrepreneurial Stewardship Pillar of Lowell’s 2020 Strategic Plan. Numerous E&E initiatives in recent years reflect our on-going commitment to these goals. The campus has initiated many E&E projects and programs related to Energy, Information Technology, Human Resources, Purchasing and Revenue Generation. In addition, the campus is focusing on Academic Effectiveness and Efficiency efforts to identify programs focused on improving student success, course and program delivery, enhancing collaborations with other colleges and universities, laboratories and industry partners. The campus continues to look at ways to increase revenues through expanding the successful on-line program and enhancing our enrollment management activities to grow the number of out of state, international and Master’s degree students.

**Academic Efficiency, Quality and Innovation**

Lowell’s 2020 Strategic Plan is in alignment with the University’s Academic E&E strategic priorities. The campus created the position of Vice Provost for Student Success and has reorganized a number of student service and advising programs under the Provost to improve retention and reduce the cost to students and their families, including exploring ways to reduce the cost of textbooks. We are implementing improved academic planning tools and systems to reduce low enrollment courses, improve class utilization and maximize enrollment in programs to more efficiently allocate faculty resources. Further reorganization of research administration and innovation and incubation programs and facilities will increase revenues and efficiencies in support of faculty and researchers.



### Energy, Utilities & Sustainability

While the University continues to grow concurrent with increasing utility rates, we have set a goal to limit the increase of energy consumption on a per square foot basis. In FY2017, we reduced both energy consumption and cost on a per square foot basis by over 11% and 10% respectively. Solar incentives, conservation projects and “mother nature” all contributed to these results.

Since 2011, energy consumption per square foot dropped 24.5%. We have done this by obtaining financial incentives and grants, peak demand management, utility bill management, and conservation measures.

Our \$26 million Accelerated Energy Project (AEP) in conjunction with DCAMM is about two-thirds complete. It has conservation measures for 30 of our buildings with over 6,700 pieces of equipment upgraded ranging from heat plant boilers to LED lighting systems. The investment generates \$1.4 million of annual energy cost avoidance and addresses over \$10 million in deferred maintenance. AEP improves our energy consumption and addresses investments in a new electrical distribution system on south campus and new steam bunkers on North Campus.

Finally, the Lowell campus continues to collaborate with the system office and other campuses on system-wide contracting and procurement initiatives to drive savings and control costs and is excited with the launch of the “We are Better Together” Business Process Redesign (BPR) initiative that will drive savings, efficiencies and improved customer service throughout the University our infrastructure needs including boilers, air handlers, lighting and control systems. We’ve also

### **Campus Budget Reductions**

The Lowell campus continues to take a strategic and disciplined approach to growth despite the \$7 million in base budget reductions implemented in FY2017. We continue to review every vacant staff position to ensure that it is essential to campus safety or critical to supporting a growing student body, ensuring their success, and assisting new faculty in their teaching and research.

The campus continues to reallocate funds and restructure operations to achieve the bottom lines targeted in the multi-year financial plan and to fund fixed cost increases and improve facilities. In FY18, the budget gap that must be closed through reallocations and reductions is more than \$12 million. To realize the budgeted 0.6% margin the campus will not be able to fully fund financial aid, faculty start-up costs, TA and RA waivers and stipends, academic equipment needs, athletics scholarships and post-season costs, facility staff for new buildings and preventative maintenance on buildings.



The lack of increased funding from the state forces the University to raise Tuition & Fees for in-state and out of state students in FY18, following two consecutive years of annual increases over 5%. The Tuition & Fees increases are necessary to cover the growth in capital related expenses and the state negotiated collective bargaining increases, if any.

If the state appropriation allocation or tuition revenues budgeted fall short of our base assumptions then the campus will be required to make deeper cuts in operations that will impact student success and the continued progress of our strategic plan.

### **Conclusion**

UMass Lowell's priorities remain funding costs associated with enrollment growth, faculty hires, financial aid, promoting our outstanding academic programs, enhancing the facilities where that learning takes place, and providing a safe and secure campus environment. We have crafted a budget and multi-year financial plan that supports these priorities with a balanced approach to growing revenues and controlling costs through reallocations and efficiencies.

### Attachments

- Campus Budget One-Sheet
- Tuition & Fee Schedule



FY18 University Operating Budget – Lowell Campus  
July 17, 2017

<i>(\$ in Thousands)</i>					
LOWELL					
Revenues	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	
Gross Tuition & Fees	254,741	243,326	11,415	4.7%	178,648
Tuition Discounts	(56,435)	(52,950)	(3,485)	6.6%	(45,417)
Net Tuition & Fees	198,306	190,376	7,930	4.2%	178,648
Grants	43,080	41,353	1,727	4.2%	41,346
Sales & Service, Educational	129	125	4	3.2%	89
Auxiliary Enterprises	66,948	60,580	6,368	10.5%	57,782
Other Operating	9,140	7,975	1,165	14.6%	7,984
State appropriations (including fringe)	113,389	111,997	1,392	1.2%	104,725
Other NonOperating (excl. interest)	26,042	25,479	563	2.2%	27,826
<b>Total Revenues</b>	<b>457,034</b>	<b>437,885</b>	<b>19,149</b>	<b>4.4%</b>	<b>418,400</b>
<b>Expenses</b>					
Salaries & Fringe	259,142	248,845	10,297	4.1%	239,536
Non-personnel	125,868	121,786	4,082	3.4%	114,923
Scholarships and fellowships	10,351	9,700	651	6.7%	9,134
Depreciation	37,812	34,845	2,968	8.5%	32,985
Interest	21,176	19,032	2,144	11.3%	21,272
<b>Total Expenses</b>	<b>454,350</b>	<b>434,208</b>	<b>20,142</b>	<b>4.6%</b>	<b>417,850</b>
<b>Operating Margin</b>					
UMass OM Calc Revenues	456,934	437,886	19,048	4.4%	418,546
Total Expenses	454,350	434,208	20,142	4.6%	417,850
<b>Surplus / (Deficit)</b>	<b>2,584</b>	<b>3,678</b>	<b>(1,094)</b>		<b>696</b>
UMass OM Calc	0.6%	0.8%			0.2%
<b>Key Indicators</b>					
	Budget	Forecast	\$	\$	Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	0.6%	0.8%	2,584	3,678	0.2%
Debt Ratio (& Debt P&I)	7.7%	7.2%	35,042	31,397	7.7%
Primary Reserve (& Unrestricted Net Assets)	18.6%	21.4%	84,292	92,862	21.4%
<i>(Student FTEs)</i>					
LOWELL					
Enrollment	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	
Undergraduate (In State)	9,537	9,350	187	2.0%	9,585
Undergraduate (Out of State)	1,883	1,846	37	2.0%	1,379
<b>Total Undergraduate</b>	<b>11,420</b>	<b>11,196</b>	<b>224</b>	<b>2.0%</b>	<b>10,964</b>
Graduate (In State)	1,568	1,537	31	2.0%	1592
Graduate (Out of State)	1,200	1,176	24	2.0%	1064
<b>Total Graduate</b>	<b>2,767</b>	<b>2,713</b>	<b>54</b>	<b>2.0%</b>	<b>2,656</b>
<b>Total Enrollment</b>	<b>14,187</b>	<b>13,909</b>	<b>278</b>	<b>2.0%</b>	<b>13,620</b>
<i>(Employee FTEs)</i>					
LOWELL					
Faculty & Staff	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	
<b>Restricted</b>					
Faculty	10.2	10.2	-	0.0%	9.3
Professional	106.6	92.6	14.0	15.1%	104.5
Classified	-	-	-	-	-
<b>Total Restricted</b>	<b>116.8</b>	<b>102.8</b>	<b>14.0</b>	<b>13.6%</b>	<b>113.8</b>
<b>Unrestricted</b>					
Faculty	790.0	752.9	37.2	4.9%	745.7
Professional	788.0	768.9	19.1	2.5%	752.5
Classified	237.0	219.0	18.0	8.2%	222.0
<b>Total Unrestricted</b>	<b>1,815.0</b>	<b>1,740.7</b>	<b>74.3</b>	<b>4.3%</b>	<b>1,720.2</b>
<b>Total Faculty &amp; Staff</b>	<b>1,931.8</b>	<b>1,843.5</b>	<b>88.3</b>	<b>4.8%</b>	<b>1,834.0</b>



**UNIVERSITY OF MASSACHUSETTS, LOWELL**

**STUDENT TUITION & FEE SCHEDULES**

FY 2018 TUITION & MANDATORY FEES

FY 2018 NON-MANDATORY FEES

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

FY 2018 TUITION & MANDATORY FEES  
SUMMARY TABLE

	FY2016 Actual	FY2016 TR Effect	FY2017 Actual	FY2018 Proposed	FY17-18 \$ change	FY17-18 % change
<b><u>UNDERGRADUATE</u></b>						
TUITION						
Undergraduate (in state)	\$1,454	\$13,152	\$13,932	\$14,350	\$418	3.0%
Undergraduate (out-of-state)	\$8,567	\$28,850	\$30,500	\$31,415	\$915	3.0%
Undergraduate (regional & proximity)			\$24,114	\$25,029	\$915	3.8%
CURRICULUM SUPPORT FEE						
Undergraduate (in state)	\$10,798	\$0	\$0	\$0	\$0	0.0%
Undergraduate (out-of-state)	\$19,383	\$0	\$0	\$0	\$0	0.0%
Undergraduate (regional & proximity)			\$0	\$0	\$0	0.0%
MANDATORY FEES						
Campus Technology Fee (Undergraduate and Graduate)	\$250	\$250	\$250	\$250	\$0	0.0%
Student Activity Fee (Undergraduate& Graduate)	\$925	\$125	\$125	\$200	\$75	60.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Undergraduate (in state)	\$13,427	\$13,527	\$14,307	\$14,800	\$493	3.4%
Undergraduate (out-of-state)	\$29,125	\$29,225	\$30,875	\$31,865	\$990	3.2%
Undergraduate (regional & proximity)			\$24,489	\$25,479	\$990	4.0%
RESIDENTS ONLY						
Standard Residence Hall Rent	\$7,710	\$7,710	\$7,975	\$8,254	\$279	3.5%
Standard Board	\$3,960	\$3,960	\$4,098	\$4,241	\$143	3.5%
SUBTOTAL	\$11,670	\$11,670	\$12,073	\$12,495	\$422	3.5%
<b>TOTAL TUITION AND ROOM &amp; BOARD</b>						
Undergraduate (in state)	\$25,097	\$25,197	\$26,380	\$27,295	\$915	3.5%
Undergraduate (out-of-state)	\$40,795	\$40,895	\$42,948	\$44,360	\$1,412	3.3%
Undergraduate (regional & proximity)			\$36,562	\$37,974	\$1,412	3.9%
<b><u>GRADUATE</u></b>						
TUITION						
Graduate (in state)*	\$1,637	\$13,524	\$14,304	\$14,590	\$286	2.0%
Graduate (out-of-state)*	\$6,425	\$24,203	\$25,853	\$26,370	\$517	2.0%
Graduate (regional & proximity)*			\$21,884	\$22,401	\$517	2.4%
CURRICULUM SUPPORT FEE						
Graduate (in state)*	\$10,987	\$0	\$0	\$0	\$0	0.0%
Graduate (out-of-state)*	\$16,878	\$0	\$0	\$0	\$0	0.0%
Graduate (regional & proximity)*			\$0	\$0	\$0	0.0%
MANDATORY FEES						
Campus Technology Fee (Undergraduate and Graduate)	\$250	\$250	\$250	\$250	\$0	0.0%
Student Activity Fee (Undergraduate& Graduate)	\$925	\$125	\$125	\$200	\$75	60.0%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Graduate (in state)	\$13,799	\$13,899	\$14,679	\$15,040	\$361	2.5%
Graduate (out-of-state)	\$24,478	\$24,578	\$26,228	\$26,820	\$592	2.3%
Graduate (regional & proximity)			\$22,259	\$22,851	\$592	2.7%
RESIDENTS ONLY						
Standard Residence Hall Rent	\$7,710	\$7,710	\$7,975	\$8,254	\$279	3.5%
Standard Board	\$3,960	\$3,960	\$4,098	\$4,241	\$143	3.5%
SUBTOTAL	\$11,670	\$11,670	\$12,073	\$12,495	\$422	3.5%
<b>TOTAL TUITION AND ROOM &amp; BOARD</b>						
Graduate (in state)	\$25,469	\$25,569	\$26,752	\$27,536	\$784	2.9%
Graduate (out-of-state)	\$36,148	\$36,248	\$38,301	\$39,315	\$1,014	2.6%
Graduate (regional & proximity)			\$34,332	\$35,346	\$1,014	3.0%

\* Graduate fee charges are on a 9 credit load basis.

FY 2018 NON-MANDATORY FEES

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
<u>Administrative Fees</u>					
Mass PIRG *	\$11	\$0	\$11	\$11	N/A
Sustainability Fee	\$0	\$10	\$10	\$0	0.0%
<u>International Fees</u>					
International Student Fee	\$550	\$1,000	\$1,000	\$0	0.0%
Hessen Exchange Program Fee	\$3,500	\$3,500	\$3,500	\$0	0.0%
Study Abroad Fee	\$300	\$300	\$300	\$0	0.0%
<u>Health Fees</u>					
Student Health Insurance	\$1,330	\$1,435	\$1,568	\$133	9.3%
<u>Program Fees</u>					
HESI Nursing Exit and Specialty Exams (cost per exam)	\$47 to \$80	\$47 to \$80	\$47 to \$80	\$0	0.0%
Advanced Health Assessment Fee (Graduate) ***	\$400	\$400	\$400	\$0	0.0%
Ed. D Online Summer Residency Fee	N/A	\$850	\$850	\$0	0.0%
M.Ed. Curriculum & Instruction Pre-Practicum Charge	\$150	\$150	\$150	\$0	0.0%
<u>Differential Tuition Charges</u>					
Francis College of Engineering Fee	\$600	\$750	\$875	\$125	16.7%
Kennedy School of Sciences Fee	\$570	\$600	\$670	\$70	11.7%
Music Fee	\$670	\$670	\$670	\$0	0.0%
Art Fee	\$500	\$500	\$500	\$0	0.0%
Manning School of Business Fee	\$240	\$450	\$670	\$220	48.9%
College of Health Sciences Fee	\$600	\$600	\$670	\$70	11.7%

\* Mass PIRG charges are subject to student referenda. Inactive in AY2016-17.

There will only be a charge if a majority of students vote in favor of fee.

\*\*\* Required of certain School of Health and Environment students taking a specific course at UMass Worcester.

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
<b>AUXILIARY CHARGES</b>					
<b>Auxiliary Fees</b>					
<u>Residence Halls Rooms:***</u>					
<u>Rate A</u>					
Traditional Fox Triple /Quad	\$7,710	\$7,975	\$8,254	\$279	3.5%
Traditional Concordia Double	\$7,710	\$7,975	\$8,254	\$279	3.5%
Traditional Leitch & Bourgeois Quad	\$8,050	\$7,975	\$8,254	\$279	3.5%
ICC Triple	\$8,175	\$7,975	\$8,254	\$279	3.5%
<u>Rate B</u>					
Traditional Fox Double	\$7,900	\$8,550	\$8,849	\$299	3.5%
Traditional Fox Enhanced Double	\$8,175	\$8,550	\$8,849	\$299	3.5%
Traditional Leitch & Bourgeois Double	\$8,200	\$8,550	\$8,849	\$299	3.5%
<u>Rate C</u>					
Traditional ICC Double	\$9,110	\$9,425	\$9,755	\$330	3.5%
Perkins Traditional			\$9,755	\$9,755	NEW
Concordia Singles	\$9,110	\$9,425	\$9,755	\$330	3.5%
<u>Rate D</u>					
Donahue Suite Double	\$8,950	\$9,500	\$9,833	\$333	3.5%
Sheehy Suite Double	\$8,925	\$9,500	\$9,833	\$333	3.5%
<u>Rate E</u>					
Riverview Suites phase II	\$10,175	\$10,500	\$10,868	\$368	3.5%
<u>Rate F</u>					
Moody Double	\$10,235	\$10,650	\$11,023	\$373	3.5%
Merrimack Double	\$10,235	\$10,650	\$11,023	\$373	3.5%
USuites Double	\$10,250	\$10,650	\$11,023	\$373	3.5%
Perkins Standard			\$11,023	\$11,023	NEW
<u>Rate G</u>					
Moody Single	\$10,560	\$10,950	\$11,333	\$383	3.5%
Merrimack Single	\$10,560	\$10,950	\$11,333	\$383	3.5%
Riverview Suites Apt	\$10,560	\$10,950	\$11,333	\$383	3.5%
Riverview Suites phase III		\$10,950	\$11,333	\$383	3.5%
Perkins Delux			\$11,333	\$0	NEW
<u>Rate H</u>					
Perkins Townhouse			\$11,851	\$0	NEW
<b>Meal Plan Options:</b>					
Platinum Unlimited + 350 points and 8 guest meals	\$4,510	\$4,668	\$4,832	\$164	3.5%
Gold Unlimited + 200 points and 8 guest meals	\$4,350	\$4,502	\$4,660	\$158	3.5%
100 Block Meals and \$350 points and 5 guest meals	\$3,960	\$4,098	\$4,242	\$144	3.5%
<b>Program Fees (Continuing Education)</b>					
Continuing Studies/Corporate Education Tuition/Fees: *					
Undergrad Tuition per Credit Hour face to face**	\$340	\$340	Up to \$360	\$20	5.9%

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
Graduate Tuition per Credit Hour face to face	\$570	\$575	Up to \$600	\$75	13.0%
Undergrad Tuition (High Tech/Corporate)	\$290-\$370	\$450	Up to \$450	\$0	0.0%
Undergrad Tuition (Online) per credit hour	\$370	\$375	Up to \$390	\$15	4.0%
Graduate Tuition (Online) per credit hour	\$570	\$575	Up to \$625	\$50	8.7%
Graduate Tuition (MBA) distance per credit hour	\$630	\$640	Up to \$700	\$60	9.4%
Graduate Tuition (Education) per credit hour	\$470	\$470	Up to \$500	\$30	6.4%
Application Fee	\$60	\$60	UP to \$75	\$15	25.0%
Registration Fee	\$30	\$30	\$30	\$0	0.0%
Late Registration Fee	\$50	\$50	\$50	\$0	0.0%
Returned Check Fee	\$30	\$30	\$30	\$0	0.0%
<b>Parking Fees:</b>					
a Faculty/Staff (per contracts)	\$300	\$350	TBD	TBD	TBD
b Adjunct Faculty	\$80	\$80	TBD	TBD	TBD
c Part-time Staff	\$150	\$175	TBD	TBD	TBD
d Reserved/Designated Parking	\$1,100	\$1,200	\$1,300	\$100	8.3%
e Resident Students	Up to \$450	Up to \$450	Up to \$450	\$0	0.0%
f Commuter Students	Up to \$450	Up to \$450	Up to \$450	\$0	0.0%

\* In addition, Continuing Studies/Corporate Education also conducts a variety of community service and professional development, typically non-credit in nature which charges are set as appropriate to the activity.

\*\* Tuition is priced on the listed credit hour unless the contact hour is different. Tuition is then based upon the listed contact hour.

\*\*\* Waived for Resident Advisors.

Parking fee notes:

d Cabinet members, \$1,300; Cumnock Designated, \$1,300; U Crossing Preferred, \$650; Wannalancit Preferred, \$650.

e,f No increase for students. Students accepted prior to 2014-15 academic year, \$367; students accepted in 2014-15, \$420 and new students accepted AFTER 2015-16, \$450

Parking Fines: minimum, \$25; parking without decal, \$35;

Handicapped parking violations, \$100.

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY2017-18	% Change FY2017-18
<b>SALES &amp; SERVICE AND ADMINISTRATIVE CHARGES</b>					
<b>Administrative Fees</b>					
Application Fee: Resident	\$60	\$60	\$60	\$0	0.0%
Non-Resident	\$60	\$60	\$60	\$0	0.0%
Graduate Certificate	\$50	\$50	\$50	\$0	0.0%
Returned Check Fee (Per Check)	\$30	\$30	\$30	\$0	0.0%
Late Fee (per Semester)	\$50	\$50	\$50	\$0	0.0%
Library:					
Lost Book Processing	\$30	\$30	\$30	\$0	0.0%
Replacement Book	\$130	\$130	\$130	\$0	0.0%
Lost Reserve Folder	\$30	\$30	\$30	\$0	0.0%
Corporate Library Patron	\$200	\$200	\$200	\$0	0.0%
<b>Other Fees (Not Student Related)</b>					
Trust Fund Overhead Charge	up to 20%	up to 20%	up to 20%	\$0	0.0%
Athletics:					
Kid ticket	\$3	\$3	\$3	\$0	0.0%
Adult Ticket	\$5	\$5	\$5	\$0	0.0%
Kids Ticket	\$10	\$10	\$10	\$0	0.0%
Student Ticket - non-UMass Lowell	\$10	\$10	\$10	\$0	0.0%
Adult Ticket	\$15	\$15	\$15	\$0	0.0%
Senior Tickets	\$10	\$10	\$10	\$0	0.0%
Group Tickets (20 people or more)	\$5 & \$7	\$5 & \$7	\$5 & \$7	\$0	0.0%
<i>    City Ticket Surcharge for all UML Hockey Games included above.</i>					
Recreation Center Charges:					
Senior Membership/12 Months 6:30 - 1:00 (tentative)	\$35-\$300	\$35-\$300	\$35-\$500	\$0	0.0%
Membership Card Replacement	\$20	\$20	\$20	\$0	0.0%
Special Programs and Classes	\$10-\$2500	\$10-\$2500	\$5-\$2500	\$0	0.0%

# MEDICAL SCHOOL

***FY18 Medical School Budget Overview***

The FY 2018 operating budget for the University of Massachusetts Medical School (UMMS) prioritizes use of its resources for support of baseline academic, teaching and research, and infrastructure commitments to maintain the institution's critical mission areas. In recognition of similar financial challenges faced by all academic health science centers, UMMS intends to maximize savings and cost avoidance measures generated by the ongoing Excellence Program (E & E), without use of available reserves. The operating budget reflects the decisions of the UMMS leadership to maintain adequate support for mission-critical programs and activities by actively managing and limiting non-essential and discretionary expenditures.

UMMS continues to succeed in its most important mission: to attract the best and brightest students who are the Commonwealth's future physician, nurse and research leaders. The School of Medicine, the largest of the three graduate schools, continues to be recognized as a national leader in primary care education. In the latest *U.S. News and World Report* graduate school rankings, UMMS was named the best medical school in all of New England for primary care and ranked 14<sup>th</sup> nationally among 170 institutions. Further, according to the Association of American Medical Colleges' latest nationally benchmarked data from all U.S. medical schools, UMMS ranked in the 100<sup>th</sup> percentile for student satisfaction. The outstanding quality of the medical student cohort is reflected in the competitiveness of the applicant pool, the academic profile of admitted students, their performance on national licensure exams and their residency match results. For the 2016-17 academic year, the School of Medicine received 3,614 applications, of which 8.8% were admitted.

The Graduate School of Nursing produces expertly trained and highly sought after graduates even as the landscape of advanced practice nursing changes: graduates from the Doctorate of Nursing Practice degree program, the Graduate Entry Pathway and the traditional PhD program are meeting important needs in areas of practice, education and research for the campus and the region. The Graduate School of Biomedical Sciences, by attracting a highly regarded applicant pool to an exceptionally prominent faculty, a supportive environment and a curriculum that prepares graduates for a range of professions, consistently educates and graduates scientists who achieve notable success in academia and industry.

The medical school's successful research enterprise is a key component of the outstanding academic environment. The UMMS research enterprise, for the first time in the history of the school, broke into the top 30 among all U.S. medical schools for NIH funding. According to the Blue Ridge Institute for Medical Research, UMMS now ranks 29<sup>th</sup> nationally and 12<sup>th</sup> among all public medical schools in this important metric. This is an incredible accomplishment for a relatively young institution, and one that did not have a robust research enterprise until the 1990s.

Research at UMMS is driven by internationally renowned faculty members, including a Nobel Laureate; a Breakthrough Prize and Lasker Award recipient; members of the National Academies;



and Howard Hughes Medical Institute investigators. Three members of the faculty were inducted this year into the prestigious American Academy of Microbiology, bringing to twenty the number of faculty in this influential group. Through 3 quarters of FY 2017, UMMS sponsored research awards were trending 3% over last year, with NIH awards up 7.6%, an unprecedented increase over the previous year at a time when competition for biomedical research dollars is fierce: UMMS faculty members are garnering new extramural research awards at a pace that exceeds the national growth rate.

### **Campus Strategic Plan**

“Vision 2020” represents a strategy for UMMS to shape the future of medical, nursing and science education, biomedical research and health care innovation. The operating budget is informed by and aligned with Vision 2020. Campus investments are mapped to overarching strategic goals that include: building a health care delivery and biomedical research workforce that makes a lasting difference to human health; transforming the research enterprise to drive the development of new therapies that improve individual and population health; establishing an information technology environment that helps to advance core mission areas; attracting the best talent in science, medicine and health care; re-designing the ecosystem for cancer research, care and training; and pursuing operational enhancements that better serve and support mission-based activities. The campus goals, it should be noted, advance the University System’s overarching strategic priorities.

At the approximate midway point of the Vision 2020 process, UMMS can point to the following achievements in execution of the strategic plan. The Vision 2020 strategic goals and progress toward them are listed below.

#### **Education - Strategic Goal**

*As an innovative, interprofessional community of students and educators, we will build a health care delivery and biomedical research workforce that makes a lasting impact on human and community health.*

#### **Education - Year Two Milestones**

- Staffed the Liaison Committee for Interprofessional Curriculum (LCIC) to map interprofessional educational goals across the educational enterprise (School of Medicine, Graduate School of Nursing, Graduate School of Biomedical Sciences and Graduate Medical Education).
- Established clinical teaching affiliations with Cape Cod Health and Baystate Health and began admitting medical students for the new, regional campus, UMMS-Baystate, in Springfield and the innovative Population-based Urban and Rural Community Health track.
- Increased the School of Medicine’s class size to 150 students; began the admission of a select number of highly-qualified out of state students; and executed necessary changes in order to support increased class sizes going forward.

- Established an innovative approach to training physicians and other providers in ‘opioid conscious’ prescribing methods – the first in the nation.

#### **Basic Research – Strategic Goal**

*Continuing to be a leader in Massachusetts life science research, we will enhance the basic science enterprise and drive intellectual excitement, potential new therapies and long-term sustainability through the engine of discovery, with special focus on areas of existing world-class strength.*

#### **Basic Research - Year Two Milestones**

- Supported the Office of Innovation and Business Development to prioritize commercialization efforts for UMMS.
- Collaborated with Harvard Medical School on a successful \$5 million Mass Life Sciences Center Grant to create a Cryo-EM Facility, the first of its kind in New England. The facility, with an additional \$4 million in support from the Howard Hughes Medical Institute, opened in 2017.
- Maintained critical and ongoing support for the Life Sciences Moment Fund (LSMF) Pilot Project Grant Program, which, since 2009, has funded 30 projects totaling \$3.67 million and involving 71 researchers in 37 different departments across the UMass System. The LSMF Program has produced 39 peer-reviewed papers, 15 new grant applications, \$15.7 million in new grant funding, as well as supported the training of 46 young investigators.
- Secured new competitively-funded research programs in HIV vaccine research (\$17 million from the NIAID) and bioinformatics (\$7 million from the NIH).

#### **Translational Research – Strategic Goal**

*We will create a transformative research ecosystem that enables rapid development of products for clinical use, collaborates with the clinical system as a laboratory for clinical and translational research, and partners with the community to drive improvements in individual and population health.*

#### **Translational Research – Year Two Milestones**

- Within the UMass Center for Clinical and Translational Science (UMCCTS), supported by a grant renewal from the NIH, investments in KL2 Scholars garnered \$18.25 million in funding and Phase 2a/2b and Phase 3 registration trials for MassBiologics drug discoveries.
- The U.S. Food and Drug Administration (FDA) approved Merck’s Zinplava™ (its brand name for bezlotoxumab) to reduce recurrence of *Clostridium difficile* infection (CDI). The drug, a monoclonal antibody, was developed by MassBiologics in conjunction with Medarex (now part of Bristol-Myers Squibb), and licensed to Merck in 2009.
- Received FDA approval for a compassionate use trial of a gene therapy for ALS.

- Contributed to the successful launch of Voyager Therapeutics and Fulcrum Therapeutics, both of which are startups supported by the life sciences venture capital firm Third Rock Ventures.
- Through the Office of Innovation and Business Development, established new industry collaborations focusing on gene therapy, neurodegenerative disease and RNA therapeutics.

#### **Health Care – Strategic Goal**

*We will become the best academic health system in America based on measures of patient safety, quality, cost, patient satisfaction, innovation, education and caregiver engagement.*

#### **Health Care - Year Two Milestones**

- Clinical partner UMass Memorial Health Care's (UMMHC) financial performance in 2016 continued to succeed in the academic medical center marketplace, posting net revenues over expenses of nearly \$68 million.
- UMass Memorial's bond ratings were upgraded based on improved financial performance and quality of earnings from ongoing operations.

#### **Information Technology – Strategic Goal**

*We will establish an information technology environment that enables the best care and patient experience, educates the finest caregivers and scientists and accelerates future therapies.*

#### **Information Technology - Year Two Milestones**

- IT Councils for both UMMS and UMass Memorial Medical Center coordinate strategic activities across both entities, including support for a long term electronic health record initiative. Developed 'data lake' strategy for clinical research database with UMass Memorial in anticipation of new electronic health record.
- Continued the refresh and redesign of websites and upgraded content management system.
- Upgrades to the Clinical Data Repository and REDCap data system for clinical, research and external data sources.

#### **Talent – Strategic Goal**

*We will attract, inspire and cultivate outstanding talent in science, medicine and health care to become one of the nation's most distinguished academic health sciences centers.*

#### **Talent - Year Two Milestones**

- Redesigned the Committee on Equal Opportunity and Diversity to encompass nine faculty driven subcommittees; created two working groups focused on underrepresented minorities in academic health sciences and staff recruitment and retention.

- Managed the integration of the Academic Personnel Policy redesign.
- Successfully recruited two new academic department chairs in Neurosurgery and Ophthalmology.
- Supported the work of the Executive Council’s Ad Hoc Work Group on Underrepresented Minorities in Academic Health Sciences; convened two campus-wide Diversity Summits in the 2016-2017 Academic Year to implement the Ad Hoc Work Group’s ten recommendations.

### **Cancer – Strategic Goal**

*We will provide a high-value ecosystem that maximizes opportunities and optimizes outcomes for our patients who seek prevention, treatments and cures for cancer; for our trainees who seek to become experts in all aspects of cancer; and for our researchers who seek new knowledge for the prevention, treatment and cure of cancer.*

### **Cancer - Year Two Milestones**

- Established the Precision Medicine Initiative to precisely target offending genes, proteins, and pathways responsible for human disease.
- Reorganized the Cancer Clinical Research Office as a component of the UMCCTS.

### **Services Integration – Strategic Goal**

*We will transform shared service operations to better serve and support mission based activities through alignment of purpose and integration of effort.*

### **Services Integration - Year Two Milestones**

- Developed an innovative plan for medical office space in anticipation of the clinical office renovation project.
- Partnered with UMass Memorial on IT strategic initiatives in support of electronic health record project.
- The Office of Advancement established and hired a new executive director of advancement for the medical center to better coordinate fundraising efforts across the UMass Academic Health Sciences Center.

## ***FY 2018 Budget Planning Assumptions***

### **FY18 Revenue**

Operating revenues in FY 2018 are projected to be \$910.0 million, an increase of \$19.3 million or 2.2%, over projected FY 2017 revenue.

### **Research**

The largest contributor to the increased revenue is research revenue, which is projected to increase 8.1% to \$270.4 million in FY 2018. This is an increase of \$15.3 million in direct

revenue and \$5.3 million in indirect cost recovery. UMass Medical School faculty continue to obtain significant new competitive research awards. Through the second quarter of FY 2017, total sponsored research awards increased 6.2% over the prior period, with NIH awards 11.9% higher than the prior period.

### **Student Charges**

Net tuition and fee revenue is expected to grow by 15.8% in FY 2018 to \$24.7 million. This is attributable to:

- The second year of a planned increase to the School of Medicine class size, with a total incoming class of 162 students, 37 of whom will pay tuition and fees at the higher out-of-state rate;
- The continuation of a multi-year tuition increase for all medical students. The class of 2018 is the last to pay under the old tuition rate structure; all other classes, including the incoming class of 2021, will pay the higher rates introduced in Academic Year 2016-2017; and
- Increased tuition rates for the Graduate School of Nursing in the DNP and PhD programs, which will bring those rates in line with other graduate nursing programs in the UMass system and New England.

It is projected that the class size expansion, together with the addition of a cohort of out-of-state students, will generate \$1.9 million of additional revenue, and the tuition rate increases will generate an additional \$1.4 million of revenue.

### **State Support**

The state maintenance appropriation for FY 2018 assumes no increase in revenue. The budget does not include any state capital funding for UMMS in FY 2018 based on guidance from the President's Office.

### **Investment Return and Interest Income**

Investment returns are budgeted to be 5% on quasi-endowment funds and 1.8% on campus funds. The distributions from endowments and quasi-endowments are budgeted to be 4% in FY 2018, consistent with previous years. The endowment distributions and interest income, along with the Build America Bond interest, which offsets a portion of the bond interest expense, are budgeted to contribute \$13.5 million to revenue.

### **FY18 Expenditures**

Operating expenditures are budgeted to increase by \$24.3 million to \$907.9 million, or 2.8%. The increase is primarily driven by direct spending on research grants of \$15.3 million, as well as budgeted salary increases.

The budget assumes a 2% increase in salary rates which, with the associated fringe benefits, adds \$9.2 million in expenditures; direct grant revenue is budgeted to increase by \$15.3 million, with a corresponding increase in grant expenditures.

Otherwise, expenditures are flat or decreased compared with FY 2017, as the campus continues to aggressively monitor spending and control costs across all departments and programs to maintain a positive operating margin.

### **UMass Medical School's Strategic Business Divisions**

The independent operations of Commonwealth Medicine and MassBiologics continue to contribute significantly to UMMS. The collective net contribution from these operations is budgeted at \$33.5 million for FY 2018, down \$3 million from \$36.5 million in FY 2017. Of the \$33.5 million in expected net contributions from these two divisions, \$2.6 million from MassBiologics's operating margin will be transferred to a sinking fund for the debt service on their bonds. The remaining \$30.9 million will come from revenue generated by Commonwealth Medicine.

As a result of a \$7 million one-time milestone payment received by MassBiologics in FY 2017, overall revenue from the two divisions will decline from \$373.4 million to \$367.5 million in FY 2018. This decline is partially offset by \$3 million in lower expenses, which will decrease from \$336.9 million to \$333.9 million. Budgeted expenses reflect the 2% salary increase, which is more than offset by targeted expense reduction initiatives at Commonwealth Medicine and MassBiologics that began in FY 2017. The annualized savings from these efforts will be fully realized in FY 2018.

### **Capital Planning and Facility Improvements**

The budget for FY 2018 includes \$35 million of additional capital expenditures for critical deferred maintenance in recognition that the state will not be in a position to fund these projects. In the case that UMMS is successful in being awarded the Veterans Affairs (VA) building project, \$10 million of these capital funds, which are campus generated, would be used toward the construction of the VA Community Based Outpatient Clinic. Given the timing and uncertainty of the VA submission, UMMS did not include in its FY 2018 budget plans for additional borrowing. Should UMMS ultimately win the VA bid, additional borrowing, through the UMass Building Authority, may be required.

### ***FY 2018 Enrollment – Recent history and projected enrollment changes***

The School of Medicine's Class of 2021 will grow to 162 members, composed of 37 out-of-state students and 125 in-state students. By FY 2020, School of Medicine enrollment will have increased by a total of 148 students across the four-year curriculum. The limited number of highly-qualified out-of-state medical students included in this planned class expansion will enhance and diversify both the applicant pool and student body and is expected to have a

positive impact on the reputation and national profile of the institution. While there will be budgeted incremental costs associated with supporting the larger class size, the necessary facilities, infrastructure needs and teaching affiliates are, to a very large extent, already in place and can accommodate this expansion.

The enrollment levels in the Graduate School of Nursing, Graduate School of Biomedical Sciences and the MD/PhD Degree Program will remain largely unchanged from current levels. The table below summarizes overall student enrollment across the three graduate schools.

*(Student FTEs)*

Enrollment	MEDICAL SCHOOL				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	FY2016
Graduate (In State)	769	772	(3)	-0.4%	788
Graduate (Out of State)	337	300	37	12.3%	268
<b>Total Graduate</b>	<b>1,107</b>	<b>1,073</b>	<b>34</b>	<b>3.2%</b>	<b>1,056</b>
<b>Total Enrollment</b>	<b>1,107</b>	<b>1,073</b>	<b>34</b>	<b>3.2%</b>	<b>1,056</b>

### ***FY 2018 Staffing - Recent history and projected staffing changes***

Current staffing levels reflect the impact of reductions in force over the past several years. For FY 2018, the budgeted staffing levels on unrestricted funding will remain similar to this fiscal year. Staffing levels on restricted funds reflect growth in line with the increase in grant funding.

*(Employee FTEs)*

Faculty & Staff	MEDICAL SCHOOL				
	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	FY2016
<b>Restricted</b>					
Faculty	261.0	246.0	15.0	6.1%	244.0
Professional	772.0	728.0	44.0	6.0%	681.0
Classified	155.0	146.0	9.0	6.2%	142.0
<b>Total Restricted</b>	<b>1,188.0</b>	<b>1,120.0</b>	<b>68.0</b>	<b>6.1%</b>	<b>1,067.0</b>
<b>Unrestricted</b>					
Faculty	248.0	248.0	-	0.0%	258.0
Professional	1,552.0	1,550.0	2.0	0.1%	1,574.0
Classified	680.0	677.0	3.0	0.4%	672.0
<b>Total Unrestricted</b>	<b>2,480.0</b>	<b>2,475.0</b>	<b>5.0</b>	<b>0.2%</b>	<b>2,504.0</b>
<b>Total Faculty &amp; Staff</b>	<b>3,668.0</b>	<b>3,595.0</b>	<b>73.0</b>	<b>2.0%</b>	<b>3,571.0</b>

### ***Key Metrics***

Operations in FY 2018 are assumed to be level with FY 2017, with the only significant increases coming from grants, where increased expenditures are in support of and directly funded by



additional revenue. For FY 2018, UMMS is projecting an operating margin of \$2.1 million or 0.2%, compared to \$7.1 million or 0.8% projected for FY 2017. The higher margin in FY 2017 is attributable to the Merck milestone payment noted earlier. The budgeted margin is consistent with the Medical School's five-year plan, and on track toward achieving the targeted 2% operating margin.

Key Indicators	Budget	Forecast	\$		Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	0.2%	0.8%	2,059	7,066	-1.1%
Debt Ratio (& Debt P&I)	5.9%	6.4%	53,781	56,332	5.2%
Primary Reserve (& Unrestricted Net Assets)	27.0%	29.2%	245,088	258,258	25.2%

No additional borrowing is planned for FY 2018. As a result, the debt service to operations ratio will decline slightly to 5.9% of operating expenditures. The decrease from 6.4% projected for FY 2017 results entirely from the growth in operating expenditures.

The primary reserve ratio will decline from 29.2% projected for FY 2017 to 27.0% for FY 2018. This is a result of \$24 million in higher operating expenses in FY 2018, as well as a \$13 million decline in unrestricted net assets from the use of unrestricted cash to fund increased capital expenditures.

### ***Campus E&E Efforts***

UMass Medical School has been at the forefront of University efforts to achieve excellence through efficiency and effectiveness initiatives. The UMMS Excellence Program (EP), initiated in FY 2011, identifies and implements initiatives that generate revenue, reduce operational costs or streamline administrative processes, without impacting core mission activities in teaching, research and patient care. The EP has been the catalyst for a number of ongoing process improvements, some shared with our primary clinical partner UMass Memorial Health Care. The program continues to serve as the basis for ongoing improvement of business processes and operations. Because a significant portion of the UMMS operating budget, such as research funding and Commonwealth Medicine contracts for services, are restricted, the EP focuses its initiatives on central administrative services and auxiliary operations.

Recent EP projects include selling underutilized campus assets such as the Century Drive facility; merging and reorganizing academic departments; accelerating class size expansion in the School of Medicine; increasing the size of the inaugural cohort of out-of-state students admitted to the MD program; implementing a multi-year tuition/fee increase for medical students; putting into place hard hiring freezes; enacting the most rigorous paid time off policies and accrual caps for employees in the University system; and limiting the salary increase program to historically low levels: between June 2010 and June 2015, UMMS implemented a total of five salary increases for professional employees (a mix of across the board and merit increases), which represented a total cumulative increase of less than 10%.



New and ongoing EP projects in FY 2017 and 2018 include:

- a review of discretionary spending to further reduce expenses in a number of categories (travel, conferences, consulting, business functions)
- targeted reductions in FY 2018 budgets based on identification of operations that can be reduced or eliminated with the least impact on mission critical activities
- reduction in amount of spending for one-time or non-recurring support to departments
- additional energy efficiency efforts (retro-commissioning science buildings and purchasing net metering credits)

Three years ago, the EP adopted the use of Lean methodology to analyze potential initiatives and to produce options for improvements in all administrative functions. Over 600 personnel have been trained in Lean methodology through FY 2017. Not only has the training brought greater rigor to the analysis of “pain points” in UMMS operations, but it also has brought about a cultural change that is helping to elevate the importance of efficiency and effectiveness in all operational activities and projects. Training and implementation of Lean methodology for improving services has increased collaboration within UMMS departments and between operational units.

### ***Campus Budget Reductions***

To address the Fiscal 2018 budget gap UMMS management has undertaken or planned a number of actions aimed at improving operating margin, many of which were begun in Fiscal 2017 or earlier. These consist of both expense reductions and revenue enhancement actions, including:

- Increased revenue from tuition through increasing the SOM class size to 162 with 37 students at a higher out-of-state tuition rate, as well as overall increases in the tuition rates for MD students
- Improved margin contribution from Commonwealth Medicine through staff reductions eliminating 82 positions as well as new revenue growth
- Improved margin contribution from MassBiologics through staff reductions eliminating 4 positions as well as additional revenue growth
- Targeted expense reductions in administration and support departments including information technology, facilities, human resources, public safety, financial services, office of technology management, communications and diversity
- Targeted expense reductions in academic operations, including academic department non-base support, research core subsidies, Global health office and faculty affairs office

These targeted actions have been devised to minimize the impact on the School’s core teaching and research missions so that the educational experience of the students and the success of the research mission will not be compromised.

### ***Conclusion***

As a part of a great University System and as a leading academic health sciences institution, UMMS has made investments in the academic environment; in the faculty; in the research enterprise; and in public service programs. The Medical School has invested in its societal

responsibility to leverage its unique expertise and intellectual capacity to address the most challenging individual and public health issues facing Massachusetts and the global community.

From a system-wide perspective, the campus is keenly aware that its specialized mission, world-class faculty and state-of-the-art infrastructure can be leveraged to contribute to the strategic growth of the University System. That is why UMMS is an active partner with the other campuses, as demonstrated by the Medical School's coordination of the UMass Center for Clinical and Translational Science; the baccalaureate-MD pathway program; and the system-wide life sciences strategic plan. Over the next several years, the leadership of UMMS is committed to working with University leadership to forge closer and more productive relationships that will help to strengthen the UMass System.

Attachments:

- Campus Budget One-Sheet
- Tuition & Fee Schedule

FY18 University Operating Budget – Medical School  
July 17, 2017

<i>(\$ in Thousands)</i>					
MEDICAL SCHOOL					
Revenues	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	
Gross Tuition & Fees	31,157	27,084	4,073	15.0%	18,612
Tuition Waivers	(6,478)	(5,779)	(699)	12.1%	(2,269)
Net Tuition & Fees	24,679	21,305	3,374	15.8%	18,612
Grants	270,389	250,041	20,348	8.1%	258,499
Sales & Service, Educational	15,959	15,570	389	2.5%	12,443
Auxiliary Enterprises	30,642	29,894	748	2.5%	29,271
Other Operating	147,389	148,239	(850)	-0.6%	232,290
State appropriations (including fringe)	51,623	51,623	0	0.0%	50,634
Other NonOperating (excl. interest)	23,796	20,992	2,804	13.4%	15,971
Independent Business Lines (non grant activity)	349,295	355,444	(6,149)	-1.7%	356,215
<b>Total Revenues</b>	<b>913,772</b>	<b>893,108</b>	<b>20,664</b>	<b>2.3%</b>	<b>973,935</b>
<b>Expenses</b>					
Salaries & Fringe	450,923	424,191	26,732	6.3%	398,636
Non-personnel	358,129	360,646	(2,517)	-0.7%	493,438
Scholarships and fellowships	0	0	0	0.0%	0
Depreciation	66,115	64,745	1,370	2.1%	65,133
Interest	32,765	34,024	(1,259)	-3.7%	30,658
<b>Total Expenses</b>	<b>907,932</b>	<b>883,606</b>	<b>24,326</b>	<b>2.8%</b>	<b>987,866</b>
<b>Operating Margin</b>					
UMass OM Calc Revenues	909,991	890,672	19,319	2.2%	977,267
Total Expenses	907,932	883,606	24,326	2.8%	987,866
<b>Surplus / (Deficit)</b>	<b>2,059</b>	<b>7,066</b>	<b>(5,007)</b>		<b>(10,599)</b>
<b>UMass OM Calc</b>	<b>0.2%</b>	<b>0.8%</b>			<b>-1.1%</b>
<b>Key Indicators</b>					
	Budget	Forecast	\$	\$	Actual
	FY2018	FY2017	FY2018	FY2017	FY2016
Operating Margin (& Surplus/Deficit)	0.2%	0.8%	2,059	7,066	-1.1%
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<i>(Student FTEs)</i>					
MEDICAL SCHOOL					
Enrollment	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	
Graduate (In State)	769	772	(3)	-0.4%	788
Graduate (Out of State)	337	300	37	12.3%	268
<b>Total Graduate</b>	<b>1,107</b>	<b>1,073</b>	<b>34</b>	<b>3.2%</b>	<b>1,056</b>
<b>Total Enrollment</b>	<b>1,107</b>	<b>1,073</b>	<b>34</b>	<b>3.2%</b>	<b>1,056</b>
<i>(Employee FTEs)</i>					
MEDICAL SCHOOL					
Faculty & Staff	Budget	Forecast	Variance		Actual
	FY2018	FY2017	#	%	
<b>Restricted</b>					
Faculty	261.0	246.0	15.0	6.1%	244.0
Professional	772.0	728.0	44.0	6.0%	681.0
Classified	155.0	146.0	9.0	6.2%	142.0
<b>Total Restricted</b>	<b>1,188.0</b>	<b>1,120.0</b>	<b>68.0</b>	<b>6.1%</b>	<b>1,067.0</b>
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<b>Total Unrestricted</b>	<b>2,480.0</b>	<b>2,475.0</b>	<b>5.0</b>	<b>0.2%</b>	<b>2,504.0</b>
<b>Total Faculty &amp; Staff</b>	<b>3,668.0</b>	<b>3,595.0</b>	<b># 73.0</b>	<b>2.0%</b>	<b>3,571.0</b>

**UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL**

**STUDENT TUITION & FEE SCHEDULES**

FY 2018 TUITION & MANDATORY FEES

FY 2018 NON-MANDATORY FEES

FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS

FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

**FY 2018 TUITION & MANDATORY FEES  
 SUMMARY TABLE**

	<b>FY2016 Actual</b>	<b>FY2016 TR Effect</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY 2017 - 18</b>	<b>% Change FY 2017 - 18</b>
<b>TUITION</b>						
Medical School - (in-state) class of '18 and prior	\$8,352	\$23,493	\$25,842	\$28,426	\$2,584	10.0%
Medical School - (in-state) class of '19 forward	\$8,352	\$32,000	\$33,600	\$34,600	\$1,000	3.0%
Medical School (out-of-state)	\$0	\$56,500	\$59,400	\$59,400	\$0	0.0%
Graduate School of Nursing: *						
In state students	\$9,000	\$9,000	\$9,900	\$13,500	\$3,600	36.4%
NE Regional	\$11,970	\$11,970	\$13,140	\$16,740	\$3,600	27.4%
Out of state	\$13,500	\$13,500	\$14,850	\$18,450	\$3,600	24.2%
GSN Graduate Entry Program (year 1):						
In state students	\$37,725	\$37,725	\$40,000	\$42,000	\$2,000	5.0%
NE Regional	\$45,000	\$45,000	\$47,000	\$48,000	\$1,000	2.1%
Out of state	\$51,000	\$51,000	\$53,000	\$54,000	\$1,000	1.9%
Grad. School of Biomedical Science (in-state)	\$2,640	\$6,074	\$6,424	\$13,930	\$7,506	116.8%
Grad. School of Biomedical Science(out-of-state)	\$9,856	\$13,290	\$13,640	\$30,533	\$16,893	123.8%
<b>CURRICULUM SUPPORT FEE</b>						
Medical School - (in-state) class of '18 and prior	\$15,141	\$0	\$0	\$0	\$0	N/A
Medical School - (in-state) class of '19 forward	\$23,648	\$0	\$0	\$0	\$0	N/A
Medical School (out-of-state)	\$56,500	\$0	\$0	\$0	\$0	N/A
Graduate School of Biomedical Science	\$3,434	\$0	\$0	\$0	\$0	N/A
<b>MANDATORY FEES</b>						
Equipment Fee (Medical & Nursing Schools)	\$325	\$325	\$325	\$325	\$0	0.0%
Assessment Fee (Medical School)	\$600	\$600	\$600	\$600	\$0	0.0%
Simulation Fee (CELS) (Medical School)	\$200	\$200	\$200	\$200	\$0	0.0%
Health / Counseling Fee (All Schools)	\$697	\$697	\$737	\$758	\$21	2.8%
Student Services Fee (All Schools)	\$195	\$195	\$195	\$195	\$0	0.0%
<b>SUBTOTAL OTHER MANDATORY FEES</b>						
Medical School	\$2,017	\$2,017	\$2,057	\$2,078	\$21	1.0%
Graduate School of Nursing	\$1,217	\$1,217	\$1,257	\$1,278	\$21	1.7%
Graduate School of Biomedical Science	\$892	\$892	\$932	\$953	\$21	2.3%
<b>TOTAL MANDATORY FEES &amp; TUITION</b>						
Medical School - (in-state) class of '18 and prior	\$25,510	\$25,510	\$27,899	\$30,504	\$2,605	9.3%
Medical School - (in-state) class of '19 forward	\$34,017	\$34,017	\$35,657	\$36,678	\$1,021	2.9%
Medical School (out-of-state)	\$58,517	\$58,517	\$61,457	\$61,478	\$21	0.0%
Graduate School of Nursing (in-state)	\$10,217	\$10,217	\$11,157	\$14,778	\$3,621	32.5%
Graduate School of Nursing (NE regional)	\$13,187	\$13,187	\$14,397	\$18,018	\$3,621	25.2%
Graduate School of Nursing (out-of-state)	\$14,717	\$14,717	\$16,107	\$19,728	\$3,621	22.5%
GSN Graduate Entry Program (in-state)	\$38,942	\$38,942	\$41,257	\$43,278	\$2,021	4.9%
GSN Graduate Entry Program (NE regional)	\$46,217	\$46,217	\$48,257	\$49,278	\$1,021	2.1%
GSN Graduate Entry Program (out-of-state)	\$52,217	\$52,217	\$54,257	\$55,278	\$1,021	1.9%
Grad. School of Biomedical Science (in-state)	\$6,966	\$6,966	\$7,356	\$14,883	\$7,527	102.3%
Grad. School of Biomedical Science(out-of-state)	\$14,182	\$14,182	\$14,572	\$31,486	\$16,914	116.1%

\* Based on 18 credits

FY 2018 NON-MANDATORY FEES

	FY2016 Actual	FY2017 Actual	FY2018 Proposed	\$ Change FY 2017 - 18	% Change FY 2017 - 18
Ph.D./MD (in-state) *****	\$23,648	24,830	34,600	\$9,770	39.3%
Ph.D./MD Years 1-2 (out-of-state) *****	\$36,465	38,288	59,400	\$21,112	55.1%
Ph.D./MD Years 3+ (out-of-state) *****	\$26,609	27,939	59,400	\$31,461	112.6%
Administrative Fees:					
Commencement Fee	\$200	\$252	\$252	\$0	0.0%
Extension Fee - Medical Students***	\$5,500	\$22,990	\$22,990	\$0	0.0%
FSSC Fee (Nursing School acute subspecialties)	\$350	\$350	\$350	\$0	0.0%
Standardized Patient M/F Experience (Nursing School)	\$325	\$325	N/A	N/A	N/A
Typhon Software (Nursing School)	\$100	\$100	\$125	\$25	25.0%
Graduate Entry Program ATI Fee	\$1,125	\$1,125	\$1,165	\$40	3.6%
Nursing Leadership Fee (Nursing School)			\$140	N/A	N/A
Program Fees:					
Doctoral Continuation Fee - Graduate School of Nursing **	\$1,350	\$1,650	\$2,250	\$600	36.4%
Elective Fee - Medical School	\$65	\$65	\$65	\$0	0.0%
Elective Fee - International - Medical School	\$500	\$500	\$500	\$0	0.0%
Continuing Course Fee - Graduate School of Nursing	\$100	\$100	\$100	\$0	0.0%
Program Fee - PhD/MD and Grad School of Biomed. Sci. **	\$90	\$90	\$90	\$0	0.0%
Lab Fees:					
Acute Care Lab Fee (Nursing School)	\$450	\$450	\$450	\$0	0.0%
Advanced Health Assessment (Nursing School)			\$1,000	N/A	N/A
Clinical Lab Fee (Nursing School clinical year only)		\$1,500	\$2,000	\$500	33.3%
Health Assessment Lab Fee (Nursing School)	\$495	\$495	\$495	\$0	0.0%
Standardized Patient Lab Fee (Nursing School)	\$175	\$175	\$175	\$0	0.0%
Health Fees					
Disability Insurance*	\$72	\$72	\$72	\$0	0.0%
Supplemental Health Insurance ****	\$3,702	\$3,850	\$4,207	\$357	9.3%

\*For AAMC accreditation, all Medical Students are required to hold some form of disability insurance. Disability insurance for Graduate Biomedical Science students is paid for by the Graduate School, and disability insurance is not available to students in the Graduate School of Nursing.

\*\*Fees are on a per semester basis.

\*\*\*Fee is on an annual basis.

\*\*\*\*Supplemental Health Insurance and Disability Insurance fees are pass through costs and are subject to change pending final rates from the insurance carrier.

\*\*\*\*\* Ph.D./MD students are charged the MD or GSBS rates as appropriate for their year in the program and the PhD/MD fee is waived and only charged to the students if they later drop out of the program.

**FY2018 STUDENT FEES FOR REVENUE-BASED OPERATIONS**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY 2017 - 18</b>	<b>% Change FY 2017 - 18</b>
Grad School of Nursing On-line (per unit)	N/A	\$700	\$750	\$50	7.1%

**FY2018 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES**

	<b>FY2016 Actual</b>	<b>FY2017 Actual</b>	<b>FY2018 Proposed</b>	<b>\$ Change FY 2017 - 18</b>	<b>% Change FY 2017 - 18</b>
Administrative Fees:					
Application Fee - Medical School	\$100	\$100	\$100	\$0	0.0%
Elective Application Fee - International - Medical School	\$100	\$100	\$100	\$0	0.0%
Application Fee - Grad. Sch. of Nursing (non-residents)	\$75	\$75	\$75	\$0	0.0%
Application Fee - Grad. Sch. of Biomed. Sci.	\$80	\$80	\$80	\$0	0.0%
GSN Registration Fee (non-matrices only)	\$30	\$30	\$30	\$0	0.0%
Late Registration / Late Payment	\$50	\$50	\$50	\$0	0.0%





# SYSTEM OFFICE



### ***FY18 System Office Budget Overview***

The University of Massachusetts System Office (UMSO) provides overall leadership to the University, coordinates with the campuses on various academic and financial initiatives, and provides shared services in the areas of information technology, internal audit, treasury, and procurement, among others. The System Office represents the University in various ways including but not limited to with the Governor, Legislature, Executive branch agencies, the federal government and professional organizations. It also coordinates strategic planning efforts including academic affairs across the campuses, management and fiscal affairs including efficiency and effectiveness efforts, budgeting and forecasting, capital planning, information systems, legal matters, and human resources management. Overall planning, policy development and initiation of University-wide programs are carried out through the System Office. These functions are carried out by several departments that report to the President and his Vice Presidents and are located in both Boston and Shrewsbury.

The Office of Academic Affairs, Student Affairs and International Relations (AASAIR) mobilizes system resources to ensure the high quality of the faculty, academic programs, students, and student services; to support the University's land grant promise, which emphasizes the integration of discovery, education, and engagement; and to promote local and global innovation. AASAIR works in partnership with campus provosts as they develop and implement policy in relation to faculty – in hiring, reviewing, and mentoring, as well as in the tenure process. AASAIR works directly with the University of Massachusetts Board of Trustees (BOT) as a liaison to the campuses to convey new campus programs; facilitate the implementation of BOT policies; answer BOT inquiries about the campuses; and report to the BOT annually on Academic Quality Assessment and Development (AQAD), the established cycle of review of academic departments and their programs, and the established cycle of review of tenured faculty, the periodic multi-year review (PMYR). The Office also serves as the University's link to the Massachusetts Board of Higher Education (BHE), bringing forward new programs from the campuses for approval to the BOT and then to the BHE. In addition, the office collaborates with the Executive Office of Education on policies and initiatives relevant to the Departments of Early Childhood Education and Elementary and Secondary Education. The office provides guidance to the campuses in program development, accountability, measurement, and institutional research. Through the Performance Measurement System (PMS) Report on Annual Indicators, which is the legislatively mandated accountability system, AASAIR tracks numerous indicators identified under the five Legislative and nine University strategic priorities. This office is also responsible for the development and production of several UMass reports that are produced annually. The office connects the campuses' chief research officers, chief student affairs officers, international relations officers, export control/compliance officers, institutional research officers, enrollment management, and admissions personnel. Campus vice chancellors for student affairs work with AASAIR, especially on issues that require compliance with Federal regulations. Likewise, the office provides guidance and works with campus research officers on the ever increasing export control compliance matters. The department also takes the lead in promoting local and global innovation



in discovery, education and engagement for the University, by fostering system-wide committees, shared programming, and international partnerships.

The Office of Administration & Finance and Treasurer houses the University Controller, Treasurer, Budget, Human Resources, Business Continuity and the University Procurement Office. The Senior Vice President works with the campus Chancellors and Vice Chancellors for Administration & Finance to assure that development and implementation of University fiscal and management policies proceed smoothly and enhance the programmatic goals of the University. Staff supports the Board of Trustees Administration & Finance Committee to ensure that the Trustees are fully informed and involved in making policy decisions necessary to preserve the financial, control, and cash integrity of the University. This work includes the coordination and development of University financial and budget documents. An ongoing part of the University's approach to sound fiscal management will be continued emphasis on clearly maintained fiscal indicators, an annual balanced budget, on time audited financial statements, a report on financial aid, and a quarterly review of the University's capital program.

The UMass President's Office Strategic Communications Department works to tell the University's story of education and impact in a compelling and purposeful way to local, national and global audiences. The department is responsible for the UMass system's marketing and communications efforts and also works closely with the University's campus communications offices. The Strategic Communications Department produces media advertising campaigns and generates media coverage aimed at bringing the UMass story to life. In addition, the department oversees the University system's digital and social media platforms.

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 resource for campuses on economic development issues. Units in the department include: the Science & Technology Unit, the Office of Technology Commercialization and Ventures (which includes 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 key areas: science and technology-based economic development, R&D and innovation partnerships with industry and other research institutions, technology commercialization and entrepreneurship, workforce development, and economic research and analysis.

The Executive Office includes the President's staff, the Board of Trustees office and the Government Relations department. The Board office is the primary point of contact for Trustees and it is responsible for the management of the quarterly board meetings. The government relations division is engaged on both the federal and state level and works with the Congressional



Delegation, the Governor, the Legislature and the Executive branch agencies to promote the University's agenda.

The Office of General Counsel provides legal advice and representation to the Board, President, Chancellors, and University administration. The General Counsel is a Special Assistant Attorney General authorized to represent the Board, the University, and its employees in state and federal courts. The General Counsel retains outside counsel if needed for specialized legal matters and regularly assesses more cost-effective options. The Office advises the Board on questions of University governance and parliamentary procedure and regularly reviews Board policies to assure these remain current and appropriate. The Office provides legal advice to the Board and University administration on a wide range of legal matters, including procurement, employment, compliance, real property, intellectual property, student issues, and diversity. Attorneys work with departments on every campus and the system office to assist departments in achieving their business goals. The Office conducts training and develops work tools to educate employees on legal issues relating to their business. These efforts increase employee efficiency by reducing the time and expense of routine business processes, including procurement, personnel, and record retention. The Office works regularly with attorneys at key state agencies, including the Attorney General's office, the Board of Higher Education, the Ethics Commission, the Supervisor of Public Records, and with counsel for the Community Colleges and State Universities.

The University of Massachusetts Information Technology Services (UITS) organization supports a wide range of constituents, both at the campuses and the System Office. They are committed to providing high quality information technology service and leadership that aligns with the mission of the University of Massachusetts. The mission of UITS is to support the advancement of the University's core activities in the areas of instruction, research, and outreach operating within a framework of shared services. This mission is founded on the following key principles:

- Providing University-wide leadership for the planning, design, and provision of high quality information technology services.
- Maintaining a reliable and technologically advanced information infrastructure.
- Ensuring the judicious use of new technologies and models of service to enhance the academic and business functions of the University

UITS, under the leadership of the Vice President and University Chief Information Officer, work in continuous collaboration with the University Information Technology Leadership Council (Campus CIO's) as well as many of the key campus disciplinary governing bodies such as the Administration and Finance Council, Academic Advisor Council and the Chief Research Council. In collaboration with these groups UITS strives to provide both technical and strategic IT guidance and support related to the major shared application systems and technologies. A critical driver is



to provide a platform that contributes to the business and academic community's ability to meet their performance and outcomes goals. UITS strives to provide an environment of high quality service and responsiveness for our peers and constituents relative to the applications and technology that they support.

University Internal Audit ("Internal Audit") provides independent, objective assurance, consultative and investigative services designed to add value and improve the University's operations. Internal Audit helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its control, risk management, and governance processes. It works with a network of Audit Liaisons that are located on each campus and within the System Office to coordinate internal and external audit activities. In addition, Internal Audit reports functionally to and supports the Audit Committee of the Board of Trustees.

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'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.

The Office of the President works closely with the UMass Building Authority and the UMass Foundation.

### ***University Strategic Plan***

The mission of the University of Massachusetts is "to provide an affordable and accessible education of high quality and to conduct programs of research and public service that advance knowledge and improve the lives of the people of the Commonwealth, the nation and the world."

The University of Massachusetts' approach to planning begins with a system mission and goals developed by and approved by the Board of Trustees. That mission and its accompanying goals provide the foundation for campus planning which results in campus specific plans that are developed through a joint iterative process with the Board. Commensurate with the planning



process, the campuses develop peer groups which are approved by the President. The approved plans and peers provide direction to the campuses which they use to chart their evolving course.

Each year the Board and the President provide guidance to the campuses relative to their progress in achieving their plans. That guidance comes through the review and approval, where appropriate, of progress reports and requests. These include: Campus strategic plans, Peer groups, Master plans, Enrollment plans, Budget (operating and capital), Programs, Annual performance goals (and any annual updates to the above). Each year, each campus updates a brief description of itself, a description that is both descriptive and based on Annual Indicators Report Data, including peer comparisons. These campus descriptions are rolled up into a system description providing an overview of the entire system as composed of its component parts. This roll up includes a projected view of how the campuses and the system will change over the next five-year period in several key areas.

#### ***FY18 Revenue***

The FY17 budget for the System Office relies on funding from each of the five campuses. No State appropriation is directed to the System Office for use but is instead maximized at the campuses.

#### ***FY18 Expenditures***

The major expense drivers of the System Office are different from the campuses because there is no direct financial aid provided nor any capital expenses. The most notable budget increase is in support of employees including employee wage increases and costs associated with fringe benefit support provided to the State.

#### ***FY18 Staffing***

The System Office staff is composed of the category of professional staff (i.e. no faculty) that support University leadership, advocacy, Board relations as well as certain administrative functions including University IT Services, Treasury, and Budget, among others. UMass Online as well as Building Authority staff are included in the FTE count for the System Office.



**FY18 University Operating Budget – System Office**  
**July 17, 2017**

*(Employee FTEs)*

Faculty & Staff	Budget FY2018	Forecast FY2017	CENTRAL		Actual FY2016
			Variance		
			#	%	
<b>Restricted</b>					
Faculty			-		-
Professional	95.0	76.0	19.0	25.0%	68.4
Classified			-		1.0
<b>Total Restricted</b>	<b>95.0</b>	<b>76.0</b>	<b>19.0</b>	<b>25.0%</b>	<b>69.4</b>
<b>Unrestricted</b>					
Faculty			-		
Professional	312.0	300.0	12.0	4.0%	350.2
Classified	10.0	15.0	(5.0)	-33.3%	1.9
<b>Total Unrestricted</b>	<b>322.0</b>	<b>315.0</b>	<b>7.0</b>	<b>2.2%</b>	<b>352.1</b>
<b>Total Faculty &amp; Staff</b>	<b>417.0</b>	<b>391.0</b>	<b>26.0</b>	<b>6.6%</b>	<b>421.5</b>

**Key Metrics**

UMass System Office is projecting to increase its operating margin for FY18 in an effort to work toward a 2.0% margin in future years. The System has conservatively budgeted revenues and expenses while staffing costs remain the single largest cost driver.

Key Indicators	Budget FY2018	Forecast FY2017	\$		Actual FY2016
			FY2018	FY2017	
Operating Margin (& Surplus/Deficit)	1.1%	1.6%	1,276	1,709	0.7%
Debt Ratio (& Debt P&I)	3.4%	3.7%	3,914	3,914	9.3%
Primary Reserve (& Unrestricted Net Assets)	105.9%	110.1%	122,140	116,826	97.5%

**Budget Reductions**

While continuing to evaluate E&E Efforts, the System Office is also working to review spending on vendors and contracts to ensure costs are properly reflected and to consolidate contracts wherever possible to achieve savings. Additionally, since staffing is the largest expense, the review of all positions is underway and the ability to fill vacancies requires the highest levels of approval.

Attachment:

- Campus Budget One-Sheet



FY18 University Operating Budget – System Office  
July 17, 2017

<i>(\$ in Thousands)</i>					
<b>CENTRAL</b>					
<b>Revenues</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>\$</b>	<b>%</b>	<b>FY2016</b>
Gross Tuition & Fees	5,654	4,770	884	18.5%	5,204
Tuition Discounts	0	0	0		0
Net Tuition & Fees	5,654	4,770	884	18.5%	5,204
Grants	20,995	15,600	5,395	34.6%	13,848
Sales & Service, Educational	2,434	2,612	(178)	-6.8%	2,253
Auxiliary Enterprises	0	0	0		
Other Operating	82,490	79,242	3,248	4.1%	78,416
State appropriations (including fringe)	0	343	(343)	-100.0%	890
Other NonOperating (excl. interest)	5,061	5,831	(770)	-13.2%	7,010
<b>Total Revenues</b>	<b>116,634</b>	<b>108,398</b>	<b>8,236</b>	<b>7.6%</b>	<b>107,621</b>
<b>Expenses</b>					
Salaries & Fringe	62,803	60,838	1,965	3.2%	56,575
Non-personnel	44,295	32,414	11,881	36.7%	35,026
Scholarships and fellowships	6	0	6		6
Depreciation	4,340	8,908	(4,568)	-51.3%	9,240
Interest	3,914	3,914	0	0.0%	3,897
<b>Total Expenses</b>	<b>115,358</b>	<b>106,074</b>	<b>9,284</b>	<b>8.8%</b>	<b>104,744</b>
<b>Operating Margin</b>					
UMass OM Calc Revenues	116,634	107,783	8,851	8.2%	105,446
Total Expenses	115,358	106,074	9,284	8.8%	104,744
<b>Surplus / (Deficit)</b>	<b>1,276</b>	<b>1,709</b>	<b>(433)</b>		<b>702</b>
<b>UMass OM Calc</b>	<b>1.1%</b>	<b>1.6%</b>			<b>0.7%</b>
<b>Key Indicators</b>					
	<b>Budget</b>	<b>Forecast</b>	<b>\$</b>	<b>\$</b>	<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>
Operating Margin (& Surplus/Deficit)	1.1%	1.6%	1,276	1,709	0.7%
Debt Ratio (& Debt P&I)	3.4%	3.7%	3,914	3,914	9.3%
Primary Reserve (& Unrestricted Net Assets)	105.9%	110.1%	122,140	116,826	97.5%
<i>(Employee FTEs)</i>					
<b>CENTRAL</b>					
<b>Faculty &amp; Staff</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>		<b>Actual</b>
	<b>FY2018</b>	<b>FY2017</b>	<b>#</b>	<b>%</b>	<b>FY2016</b>
<b>Restricted</b>					
Faculty			-		-
Professional	95.0	76.0	19.0	25.0%	68.4
Classified			-		1.0
<b>Total Restricted</b>	<b>95.0</b>	<b>76.0</b>	<b>19.0</b>	<b>25.0%</b>	<b>69.4</b>
<b>Unrestricted</b>					
Faculty			-		
Professional	312.0	300.0	12.0	4.0%	350.2
Classified	10.0	15.0	(5.0)	-33.3%	1.9
<b>Total Unrestricted</b>	<b>322.0</b>	<b>315.0</b>	<b>7.0</b>	<b>2.2%</b>	<b>352.1</b>
<b>Total Faculty &amp; Staff</b>	<b>417.0</b>	<b>391.0</b>	<b>26.0</b>	<b>6.6%</b>	<b>421.5</b>





# BOARD OF TRUSTEES – FY18 BUDGET PRESENTATION



# FY18 Budget & Student Charges

**Board of Trustees:  
Administration & Finance Committee  
July 17, 2017**

# Report Outline

2

- Overview
- FY18 Budget Summary
- FY18 Expenses
- FY18 Revenue
- Enrollment
- FY18 Tuition & Fees
- Key Financial Ratios

# Overview

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- The System Office and Campuses have worked diligently to put together a responsible FY18 Budget reflective of our current fiscal environment.
- Multi-year planning effort continues with the University's updated 5-year forecast to be presented in September; will inform the FY19 State budget request.
- Focus on improving the University's financial position over the coming years.
- Several Policies are being evaluated to determine where new or updated policies can strengthen the University's finances.
- System Office and each campus working to strengthen operating margin.



# FY18 Budget Summary

# FY18 State Budget Outcome

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## **FY18 State Budget**

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*\$ In Thousands*

FY17 Funding	508,292
University Request	538,638
Governor	513,375
House	513,375
Senate	534,472
<b>FY18 Budget</b>	<b>513,545</b>

- Conference Budget – Released July 7 at Governor and House level
- Veto Process – Governor has 10-day review and implement vetoes
- Mid Year Reductions – May be needed if the State revenue falls below benchmark

# FY18 University Budget Summary

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*(\$ in Thousands)*

## FY2018 BUDGET

<b>Campus</b>	<b>Total Revenue</b>	<b>Total Expenses</b>	<b>OM\$</b>	<b>OM%</b>
Amherst	1,243,383	1,239,377	4,006	0.3%
Boston	431,135	436,135	(5,000)	-1.2%
Dartmouth	251,717	251,175	542	0.2%
Lowell	456,934	454,350	2,584	0.6%
Medical School	909,991	907,932	2,059	0.2%
Central	116,634	115,358	1,276	1.1%
<b>Total</b>	<b>3,333,968</b>	<b>3,328,501</b>	<b>5,467</b>	<b>0.2%</b>



# FY18 Expenses



# FY18 Expense Assumptions

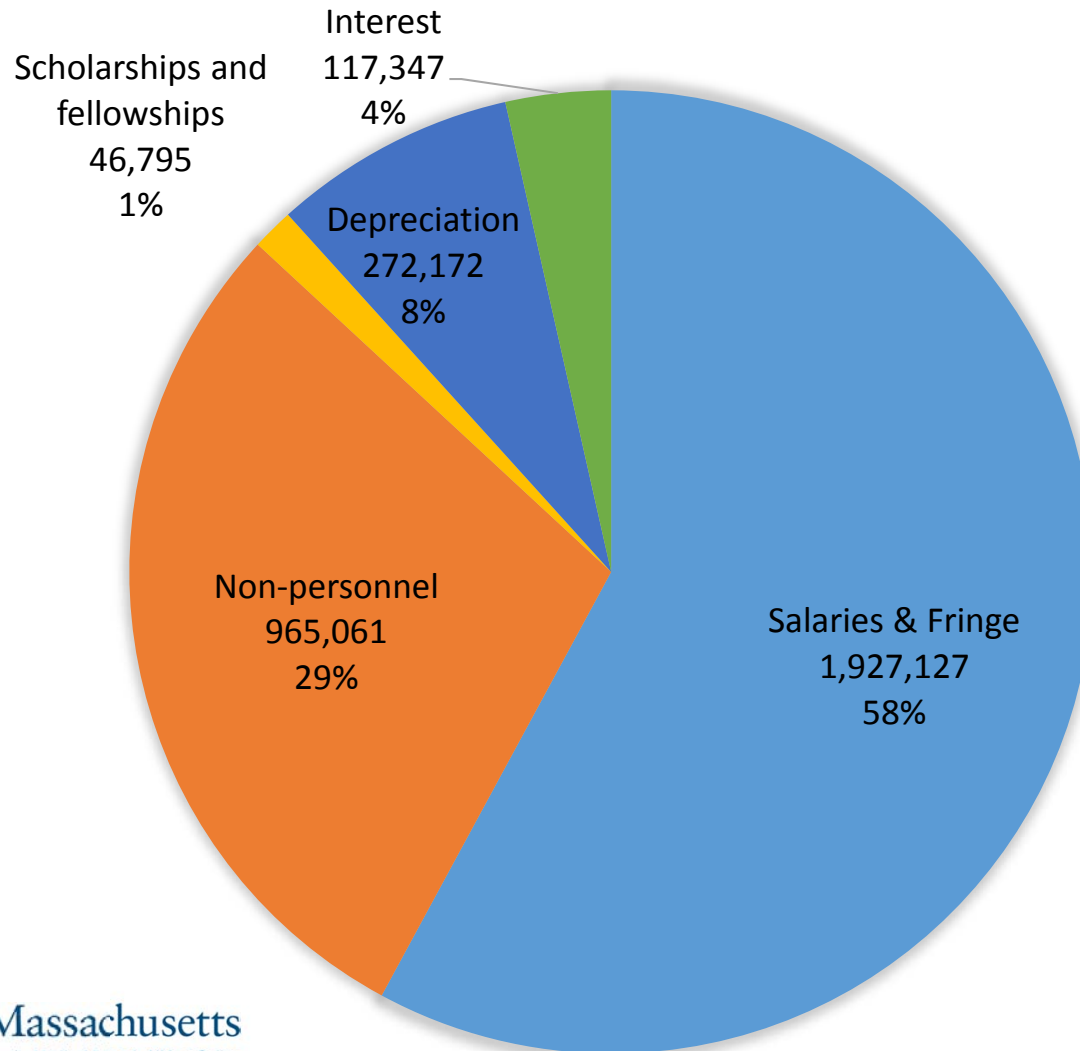
8

- ✓ Salaries:
  - ✓ State funding for collective bargaining not included however it is assumed that once parameters are provided and contracts are negotiated that the State would fund its share through a collective bargaining reserve.
  - ✓ Full year impact of prior year collective bargaining resulting in unfunded mandate.
- ✓ \$28.5 million increase for State mandated Fringe benefit rate – increases from 3.0% to 34.86%.
- ✓ Non-personnel expenses assume a 1.80% increased based on HEPI inflation rate; results in \$12.5 million expense increase.
- ✓ Financial Aid increases with tuition increase and to meet student need.
- ✓ No new borrowing assumed.

# FY18 Expenses = \$3.3 Billion

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\$ in Thousands



# Expense Comparison

10

(\$ in Thousands)	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	FY2016
Salaries & Fringe	1,927,127	1,873,106	54,022	2.9%	1,779,495
Non-personnel	965,061	932,413	32,648	3.5%	1,075,748
Scholarships and fellowships	46,795	43,218	3,577	8.3%	44,645
Depreciation	272,172	258,736	13,436	5.2%	240,865
Interest	117,347	115,401	1,946	1.7%	105,276
<b>Total Expenses</b>	<b>3,328,501</b>	<b>3,222,873</b>	<b>105,628</b>	<b>3.3%</b>	<b>3,246,029</b>

# Expense Drivers – Salaries & Fringe

11

(\$ in Thousands)	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	FY2016
Salaries & Fringe	1,927,127	1,873,106	54,022	2.9%	1,779,495

Breakdown of Increase	\$ Value
Staffing (1)	6,761
Salary Adjustments (2)	13,857
Fringe Rate	28,547
Other (3)	4,857
<b>Total</b>	<b>54,022</b>

- (1) Includes new staff needs and reductions in force
- (2) Full year impact of prior year collective bargaining and other salary adjustments
- (3) Accruals and other minor salary adjustments

# Expense Drivers – Staffing

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<i>(Employee FTEs)</i>	UNIVERSITY				
	Budget FY2018	Forecast FY2017	Variance		Actual FY2016
			#	%	
<b>Unrestricted</b>					
Faculty	3,886.1	3,862.9	23.3	0.6%	3,870.3
Professional	5,338.0	5,364.5	(26.5)	-0.5%	5,365.1
Classified	3,755.9	3,739.9	16.0	0.4%	3,743.0
<b>Total Unrestricted</b>	<b>12,980.0</b>	<b>12,967.3</b>	<b>12.8</b>	<b>0.1%</b>	<b>12,978.4</b>
<b>Grant Funded (Restricted)</b>					
Faculty	332.5	317.5	15.0	4.7%	312.3
Professional	1,275.0	1,198.0	77.0	6.4%	1,174.9
Classified	251.9	242.9	9.0	3.7%	234.0
<b>Total Restricted</b>	<b>1,859.4</b>	<b>1,758.4</b>	<b>101.0</b>	<b>5.7%</b>	<b>1,721.2</b>
<b>Total Faculty &amp; Staff</b>	<b>14,839.4</b>	<b>14,725.7</b>	<b>113.7</b>	<b>0.8%</b>	<b>14,699.6</b>

# Expense Drivers – Non Personnel

13

(\$ in Thousands)	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	FY2016
Non Personnel	965,061	932,413	32,648	3.5%	1,075,748

Breakdown of Increase	\$ Value
Research	11,373
Auxiliary	8,786
Other (1)	12,489
<b>Total</b>	<b>32,648</b>

(1) Represents HEPI inflation growth assumption of 1.8%

- Notes: FY16 actuals are larger due to activity at the Medical School business lines.

# Expense Drivers – Capital Related

14

<i>\$ in Thousands</i>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>\$</b>	<b>%</b>	
Depreciation	272,172	258,736	13,436	5.2%	240,865
Interest	117,347	115,401	1,946	1.7%	105,276
<b>Total</b>	<b>389,519</b>	<b>374,137</b>	<b>15,382</b>	<b>4.1%</b>	<b>346,141</b>

<b>Depreciation &amp; Interest</b>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>\$</b>	<b>%</b>	
Amherst	157,163	146,041	11,122	7.6%	129,031
Boston	38,989	36,469	2,520	6.9%	28,052
Dartmouth	27,244	26,159	1,085	4.1%	25,872
Lowell	58,989	53,877	5,112	9.5%	54,257
Medical School	98,880	98,769	111	0.1%	95,791
<b>Total</b>	<b>389,519</b>	<b>374,137</b>	<b>15,382</b>	<b>4.1%</b>	<b>346,140</b>

# Expense Drivers - Financial Aid

15

<i>\$ in Thousands</i>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>\$</b>	<b>%</b>	
Tuition Discounts	300,484	284,855	15,629	5.5%	244,025
Scholarships & fellowships	46,795	43,218	3,577	8.3%	44,645
<b>Total</b>	<b>347,279</b>	<b>328,073</b>	<b>19,206</b>	<b>5.9%</b>	<b>288,670</b>

<b>Financial Aid</b>	<b>Budget FY2018</b>	<b>Forecast FY2017</b>	<b>Variance</b>		<b>Actual FY2016</b>
			<b>\$</b>	<b>%</b>	
Amherst	161,569	151,586	9,983	6.6%	129,333
Boston	68,403	65,335	3,068	4.7%	61,518
Dartmouth	44,037	42,723	1,314	3.1%	40,988
Lowell	66,786	62,650	4,136	6.6%	54,551
Medical School	6,484	5,779	705	12.2%	2,280
<b>Total</b>	<b>347,279</b>	<b>328,073</b>	<b>19,206</b>	<b>5.9%</b>	<b>288,670</b>





# FY18 Revenue

# FY18 Revenue Assumptions

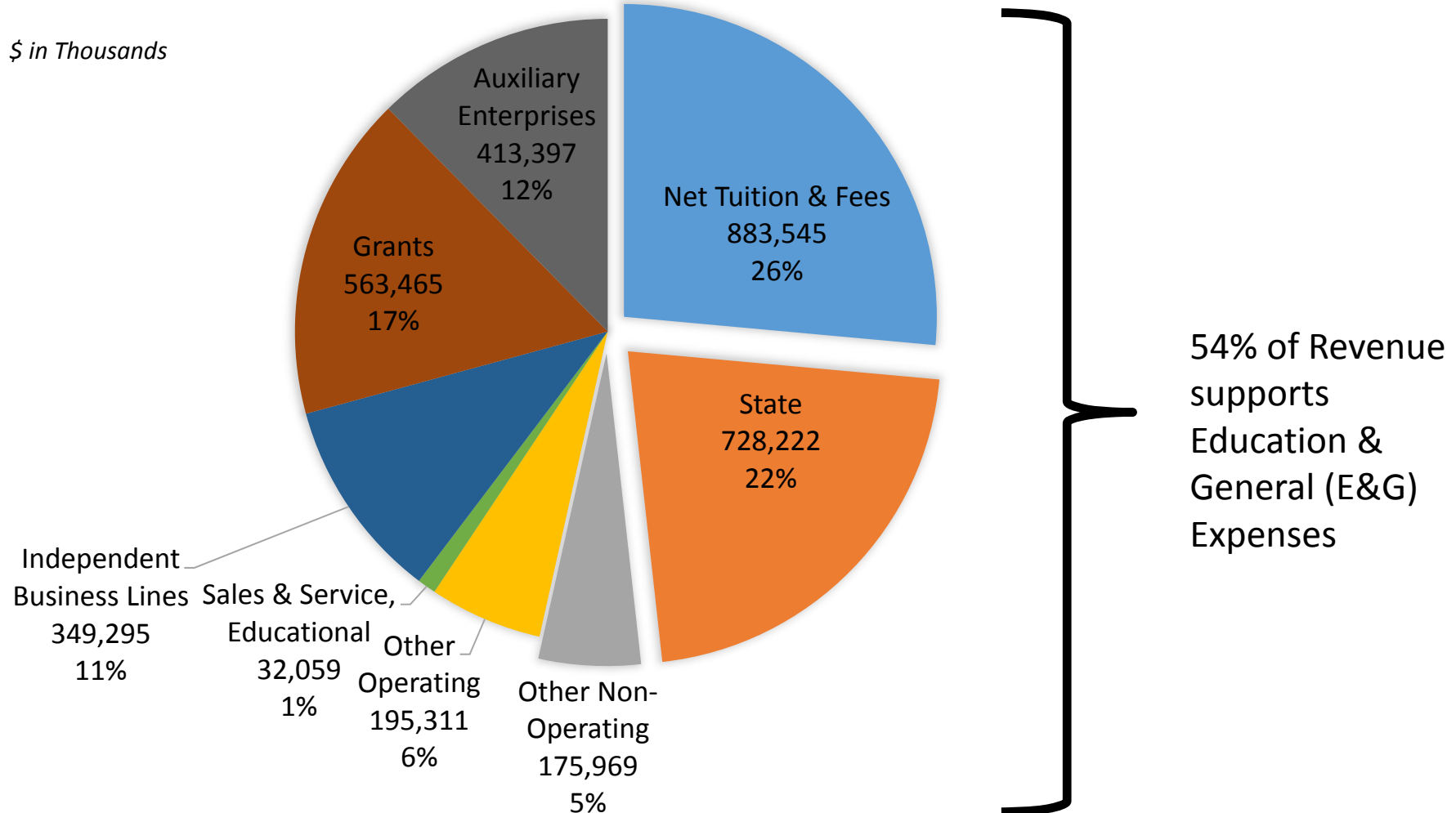
17

- ✓ State Appropriation
  - ✓ Level to FY17
  - ✓ Increase reflected related to fringe benefit rate increase
- ✓ Enrollment increase of 0.9% will generate \$9.4 million
- ✓ Tuition increases recommended by campuses would generate \$23.4 million:
  - ✓ In State Undergraduate = 3.0%
  - ✓ Out of State and Graduate = 2.0 – 4.0%
- ✓ Mandatory fee increases limited to one increase for undergraduates and three increases for graduates
- ✓ Minimal changes to non-mandatory fees

# FY18 Revenue = \$3.3 Billion

18

\$ in Thousands



# Revenue Comparison

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Revenues	Budget	Forecast	Variance		Actual
	FY2018	FY2017	\$	%	FY2016
Gross Tuition & Fees	1,184,029	1,135,848	48,182	4.2%	1,070,840
Tuition Discounts	(300,484)	(284,855)	(15,629)	5.5%	(244,025)
Net Tuition & Fees	883,545	850,993	32,553	3.8%	826,815
State	728,222	720,518	7,704	1.1%	669,748
Grants	563,465	529,528	33,937	6.4%	528,352
Auxiliary Enterprises	413,397	397,323	16,075	4.0%	383,281
Independent Business Lines (1)	349,295	355,444	(6,149)	-1.7%	356,215
Sales & Service, Educational	32,059	31,566	493	1.6%	27,500
Other Operating	195,311	192,315	2,996	1.6%	281,333
Other Non-Operating	175,969	173,428	2,541	1.5%	173,013
<b>Total Revenues (2)</b>	<b>3,341,264</b>	<b>3,251,115</b>	<b>90,149</b>	<b>2.8%</b>	<b>3,246,257</b>

(1) Revenues associated with UMMS Commonwealth Medicine and MassBiologics.

(2) Operating Margin calculation does not include unrealized gains which are included in Total Revenues above.



# Enrollment

# Enrollment Tracking

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- The enrollment data on the next several slides provides some insight into how things are looking relative to our budgeted enrollment increase - there is still several months to go until we have the final enrollment numbers.
- The goal in summarizing this data is to share more predictive analytics behind the assumptions used in building the University's annual budget.
- The current data only highlights in-coming first time students and transfer students.
- In addition to this data, campuses implement strategies to monitor retention and continuation rates for second, third and fourth year students

# FY18 Enrollment

22

## Student (FTE)

	Budget	Forecast	FTE	%
	FY18	FY17	Change	Change
Amherst	28,570	28,340	230	0.8%
Boston	13,165	13,102	63	0.5%
Dartmouth	7,557	7,557	-	0.0%
Lowell	14,187	13,909	278	2.0%
Medical	1,107	1,073	34	3.2%
<b>Total</b>	<b>64,586</b>	<b>63,980</b>	<b>606</b>	<b>0.9%</b>

## Net Tuition Revenue (\$ in Thousands)

	Budget	Forecast	\$	%
	FY18	FY17	Change	Change
	386,068	374,270	11,798	3.2%
	194,521	188,844	5,677	3.0%
	79,521	76,632	2,889	3.8%
	198,306	190,376	7,930	4.2%
	24,679	21,305	3,374	15.8%
<b>Total</b>	<b>883,545</b>	<b>850,993</b>	<b>32,552</b>	<b>3.8%</b>

## Historical Student (FTE)

	Forecast	Actual	Actual	% Change
	FY17	FY16	FY15	3 - years
Amherst	28,340	27,696	27,098	4.6%
Boston	13,102	13,195	12,834	2.1%
Dartmouth	7,557	7,766	7,930	-4.7%
Lowell	13,909	13,620	13,370	4.0%
Medical	1,073	1,056	1,071	0.1%
<b>Total</b>	<b>63,980</b>	<b>63,333</b>	<b>62,303</b>	<b>2.7%</b>

# Enrollment Tracking

## Amherst - First Time Freshman

	Fall 2017	Fall 2016
Applicants	42,012	40,704
Accepted	24,098 (57.4%)	24,275 (59.6%)
Deposits (as of 7/5)	4,998 (20.7%)	4,903 (20.2%)
Enrolled (as of 7/5)	4,903 (20.3%)	4,825 (19.9%)
Enrollment		4,643 (19.1%)

## Amherst - Transfers

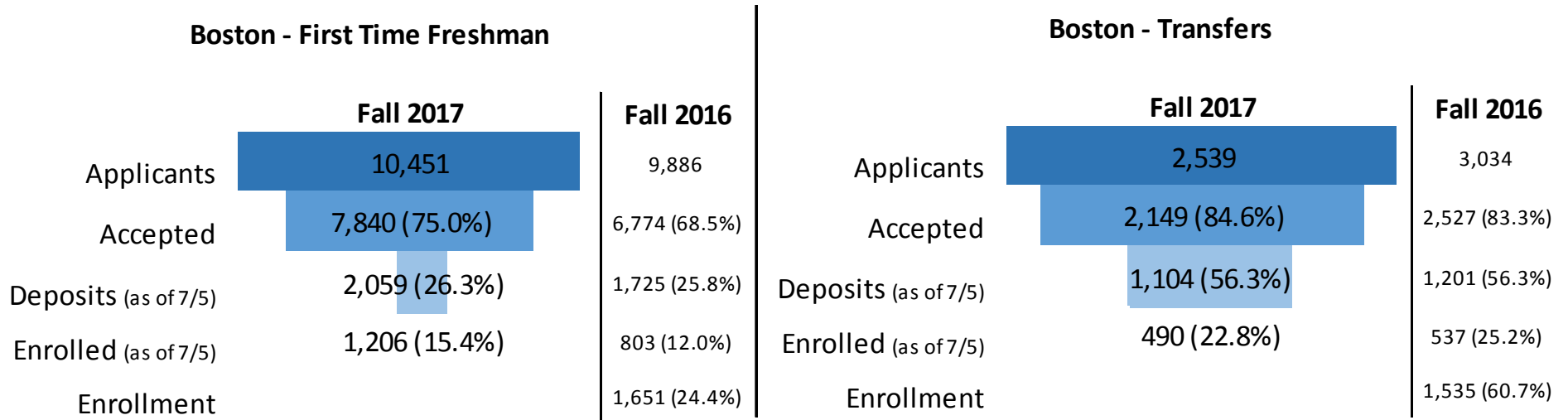
	Fall 2017	Fall 2016
Applicants	3,852	3,811
Accepted	2,523 (65.5%)	2,483 (65.2%)
Deposits (as of 7/5)	1,512 (59.9%)	1,479 (60.6%)
Enrolled (as of 7/5)	1,497 (59.3%)	1,469 (60.2%)
Enrollment		1,527 (61.5%)

**Sources:**

Fall 2017 Data and Fall 2016 Deposits and Enrolled from Campus Institutional Research as of 7/5  
 Fall 2016 Data for Applicants, Accepted and Enrollment from Fall 2016 Student Profile



# Enrollment Tracking



**Sources:**

Fall 2017 Data and Fall 2016 Deposits and Enrolled from Campus Institutional Research as of 7/5  
 Fall 2016 Data for Applicants, Accepted and Enrollment from Fall 2016 Student Profile

# Enrollment Tracking

## Dartmouth - First Time Freshman

	Fall 2017	Fall 2016
Applicants	7,940	8,211
Accepted	6,661 (83.3%)	5,789 (70.5%)
Deposits (as of 7/5)	1,456 (21.9%)	1,473 (23.8%)
Enrolled (as of 7/5)	1,315 (19.7%)	1,291 (20.9%)
Enrollment		1,367 (23.6%)

## Dartmouth - Transfers

	Fall 2017	Fall 2016
Applicants	1,027	1,170
Accepted	855 (83.3%)	1,008 (86.2%)
Deposits (as of 7/5)	505 (59.1%)	425 (55.0%)
Enrolled (as of 7/5)	384 (44.9%)	270 (34.9%)
Enrollment		525 (52.1%)

**Sources:**

Fall 2017 Data and Fall 2016 Deposits and Enrolled from Campus Institutional Research as of 7/5  
 Fall 2016 Data for Applicants, Accepted and Enrollment from Fall 2016 Student Profile

# Enrollment Tracking

## Lowell - First Time Freshman

	Fall 2017	Fall 2016
Applicants	11,122	11,224
Accepted	7,653 (68.8%)	6,766 (60.3%)
Deposits (as of 7/5)	2,090 (27.3%)	1,759 (25.9%)
Enrolled (as of 7/5)	1,890 (24.7%)	1,652 (24.4%)
Enrollment		1,682 (24.9%)

## Lowell - Transfers

	Fall 2017	Fall 2016
Applicants	1,567	1,956
Accepted	1,467 (93.6%)	1,800 (92.0%)
Deposits (as of 7/5)	854 (58.2%)	905 (60.1%)
Enrolled (as of 7/5)	550 (37.5%)	583 (38.7%)
Enrollment		1,159 (64.4%)

**Sources:**

Fall 2017 Data and Fall 2016 Deposits and Enrolled from Campus Institutional Research as of 7/5  
 Fall 2016 Data for Applicants, Accepted and Enrollment from Fall 2016 Student Profile

# FY18 Online Course Enrollment

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	FY18 (Budget)			FY17 (Forecast)			FY16		
Online	Course Enrollment	Revenue	% of Net Tuition	Course Enrollment	Revenue	% of Net Tuition	Course Enrollment	Revenue	% of Net Tuition
Amherst	26,340	44,882	12%	24,757	42,042	11%	23,160	38,562	11%
Boston	15,740	20,197	10%	14,790	19,416	10%	14,250	18,040	10%
Dartmouth	7,680	8,977	11%	7,202	8,026	10%	6,371	6,733	9%
Lowell	30,120	38,150	19%	28,309	35,291	19%	26,321	32,587	18%
Medical	520	56	0%	507	76	0%	762	103	1%
<b>Total</b>	<b>80,400</b>	<b>112,262</b>	<b>13%</b>	<b>75,565</b>	<b>104,852</b>	<b>12%</b>	<b>70,864</b>	<b>96,025</b>	<b>12%</b>
<b>Annual Growth</b>	<b>6%</b>	<b>7%</b>		<b>7%</b>	<b>9%</b>				



# FY18 Student Charges

# FY18 Summary of Tuition Rate Increases Recommended by Campuses

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	<b>In State UG</b>	<b>Out State UG</b>	<b>Grad</b>
Amherst	3.0%	4.0%	3.0%
Boston	3.0%	3.0%	3.0%
Dartmouth	3.0%	3.0%	3.0%
Lowell	3.0%	3.0%	2.0%
Medical	N/A	N/A	3.0%

# Undergraduate: In State

30

## In State Undergraduate Tuition

	FY 17	FY 18	\$ Change	% Change
Amherst	\$14,590	\$15,030	\$440	3.0%
Boston	\$13,110	\$13,503	\$393	3.0%
Dartmouth	\$12,783	\$13,166	\$383	3.0%
Lowell	\$13,932	\$14,350	\$418	3.0%
<b>Weighted Average</b>	<b>\$13,837</b>	<b>\$14,253</b>	<b>\$416</b>	<b>3.0%</b>

## Undergraduate Mandatory Fees

	FY 17	FY 18	\$ Change	% Change
Amherst	\$381	\$381	\$0	0.0%
Boston	\$325	\$325	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%

- Notes: Student Activity Fee – Lowell is proposing an increase to their student activity fee in support of the student recreational program; Technology Fee – no changes proposed

# Undergraduate: Out of State

31

## Out of State Undergraduate Tuition

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$31,823	\$33,096	\$1,273	4.0%
Boston	\$31,698	\$32,660	\$962	3.0%
Dartmouth	\$27,068	\$27,880	\$812	3.0%
Lowell	\$30,500	\$31,415	\$915	3.0%
<b>Weighted Average</b>	<b>\$31,269</b>	<b>\$32,384</b>	<b>\$1,115</b>	<b>3.6%</b>

## Undergraduate Mandatory Fees

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$381	\$381	\$0	0.0%
Boston	\$325	\$325	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%



# Graduate: In State

32

## In State Graduate Tuition

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$13,524	\$13,930	\$406	3.0%
Boston	\$16,863	\$17,375	\$512	3.0%
Dartmouth	\$14,999	\$15,449	\$450	3.0%
Lowell	\$14,304	\$14,590	\$286	2.0%
<b>Weighted Average</b>	<b>\$14,942</b>	<b>\$15,348</b>	<b>\$406</b>	<b>2.7%</b>

## Graduate Mandatory Fees

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$2,089	\$2,157	\$68	3.3%
Boston	\$355	\$355	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%

# Graduate: Out of State

33

## Out of State Graduate Tuition

	FY 17	FY 18	\$ Change	% Change
Amherst	\$29,644	\$30,533	\$889	3.0%
Boston	\$32,913	\$33,915	\$1,002	3.0%
Dartmouth	\$27,068	\$27,880	\$812	3.0%
Lowell	\$25,853	\$26,370	\$517	2.0%
<b>Weighted Average</b>	<b>\$29,263</b>	<b>\$30,092</b>	<b>\$829</b>	<b>2.8%</b>

## Graduate Mandatory Fees

	FY 17	FY 18	\$ Change	% Change
Amherst	\$2,089	\$2,157	\$68	3.3%
Boston	\$355	\$355	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%

# Room & Board

34

## Room & Board\*

	<b>FY 17</b>	<b>FY 18</b>	<b>\$Change</b>	<b>% Change</b>
Amherst	\$11,897	\$12,258	\$361	3.0%
Dartmouth	\$12,296	\$12,753	\$456	3.7%
Lowell	\$12,073	\$12,495	\$422	3.5%
<b>Weighted Average</b>	<b>\$12,026</b>	<b>\$12,424</b>	<b>\$398</b>	<b>3.3%</b>

\*Rates are for a standard shared room and basic meal plan. Students have the option to select rooms with additional amenities and/or more extensive meal plans at higher rates.

# Non-Mandatory Fees

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- Non-Mandatory fees are approved by the President and are typically fees related to enrollment in a specific program (example: Nursing, Engineering); such fees are utilized to support the needs of that program.
- Total non-mandatory fee revenue is \$44.8 million or 5% of total net tuition revenue.
- Campus proposed increases will generate \$1.3 million in new revenue which is 0.2% of total net tuition revenue.

<i>(\$ in Thousands)</i>	<b>Revenue from Proposed Increases</b>	<b>Total Non-Mandatory Revenue</b>	<b>New Revenue as a % of Total Tuition Revenue</b>
Amherst	136	19,902	0.0%
Boston	-	10,936	0.0%
Dartmouth	229	4,651	0.3%
Lowell	944	8,677	0.5%
Medical	22	600	0.1%
<b>TOTAL</b>	<b>1,331</b>	<b>44,766</b>	<b>0.2%</b>

# Amherst

## Amherst Tuition, Mandatory Fees, Room & Board

	FY17	FY18	\$ Change	% Change
Undergraduate: In State Tuition	\$14,590	\$15,030	440	3.0%
Undergraduate: Mandatory Fees	\$381	\$381	-	
Undergraduate: Out of State Tuition	\$31,823	\$33,096	1,273	4.0%
Undergraduate: Mandatory Fees	\$381	\$381	-	
Graduate: In State Tuition	\$13,524	\$13,930	406	3.0%
Graduate: Mandatory Fees	\$2,089	\$2,157	68	
Graduate: Out of State Tuition	\$29,644	\$30,533	889	3.0%
Graduate: Mandatory Fees	\$2,089	\$2,157	68	
Room & Board	\$11,897	\$12,258	361	3.0%

# Boston

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## Boston Tuition & Mandatory Fees

	<b>FY17</b>	<b>FY18</b>	<b>\$ Change</b>	<b>% Change</b>
Undergraduate: In State Tuition	\$13,110	\$13,503	393	3.0%
Undergraduate: Mandatory Fees	\$325	\$325	-	
Undergraduate: Out of State Tuition	\$31,698	\$32,660	962	3.0%
Undergraduate: Mandatory Fees	\$325	\$325	-	
Graduate: In State Tuition	\$16,863	\$17,375	512	3.0%
Graduate: Mandatory Fees	\$355	\$355	-	
Graduate: Out of State Tuition	\$32,913	\$33,915	1,002	3.0%
Graduate: Mandatory Fees	\$355	\$355	-	

# Dartmouth

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## Dartmouth Tuition, Mandatory Fees, Room & Board

	FY17	FY18	\$ Change	% Change
Undergraduate: In State Tuition	\$12,783	\$13,166	383	3.0%
Undergraduate: Mandatory Fees	\$405	\$405	-	
Undergraduate: Out of State Tuition	\$27,068	\$27,880	812	3.0%
Undergraduate: Mandatory Fees	\$405	\$405	-	
Graduate: In State Tuition	\$14,999	\$15,449	450	3.0%
Graduate: Mandatory Fees	\$405	\$405	-	
Graduate: Out of State Tuition	\$27,068	\$27,880	812	3.0%
Graduate: Mandatory Fees	\$405	\$405	-	
Law School: In State Tuition	\$25,836	\$26,611	775	3.0%
Law School: Mandatory Fees	\$405	\$405	-	
Law School: Out of State Tuition	\$33,988	\$35,008	1,020	3.0%
Law School: Mandatory Fees	\$405	\$405	-	
Room & Board	\$12,296	\$12,753	456	3.7%

# Lowell

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## Lowell Tuition, Mandatory Fees, Room & Board

	<b>FY17</b>	<b>FY18</b>	<b>\$ Change</b>	<b>% Change</b>
Undergraduate: In State Tuition	\$13,932	\$14,350	418	3.0%
Undergraduate: Mandatory Fees	\$375	\$450	75	
Undergraduate: Out of State Tuition	\$30,500	\$31,415	915	3.0%
Undergraduate: Mandatory Fees	\$375	\$450	75	
Graduate: In-State Tuition	\$14,304	\$14,590	286	2.0%
Graduate: Mandatory Fees	\$375	\$450	75	
Out of State Grad	\$25,853	\$26,370	517	2.0%
Graduate: Mandatory Fees	\$375	\$450	75	
Room & Board	\$12,073	\$12,495	422	3.5%





# Summary


# Key Take-Aways

41

- Fiscal Year 2018 continues to be challenging and the outlook for the remainder of the fiscal year is uncertain; mid-year budget cuts may be needed.
- The 1% increase provided in the Conference Committee budget is not sufficient to cover increases in fixed costs.
- The System Office and Campuses have worked diligently to prepare a responsible FY18 Budget that reflects the current fiscal environment.
  - Includes a modest and reasonable tuition increase of 3% for in-state undergraduates.
  - Assumes reasonable enrollment growth supported by early indicators.
  - It is balanced, but with an extremely thin margin.
  - Cost reductions will be implemented during the fiscal year.
- The System Office will continue to enhance budget monitoring and use data analytics to provide timely and transparent information to the Board.

# A&F Road Map: Projects Underway

42

- A&F goals under development
- *We Are Better Together* Business Process Redesign (BPR) 
  - Collaborative A&F project designed to restructure business processes; first three projects moving forward
- A&F Executive Dashboard 1.0 (September 2017)
  - Critical information in a succinct format; data directly from core systems
- Key Performance Indicators
  - Identifying new indicators to further inform decision making and measure against a benchmark or target
- Management Reporting
  - Improved reporting and analysis to proactively manage the business; four reports identified for development
- Enterprise Risk Management
  - Framework established; actively working to prioritize initiatives and solutions focused on managing A&F risks

# Operating Margin

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*(\$ in Thousands)*

## FY2018 BUDGET

Campus	Total Revenue	Total Expenses	OM\$	OM%
Amherst	1,243,383	1,239,377	4,006	0.3%
Boston	431,135	436,135	(5,000)	-1.2%
Dartmouth	251,717	251,175	542	0.2%
Lowell	456,934	454,350	2,584	0.6%
Medical School	909,991	907,932	2,059	0.2%
Central	116,634	115,358	1,276	1.1%
<b>Total</b>	<b>3,333,968</b>	<b>3,328,501</b>	<b>5,467</b>	<b>0.2%</b>

# FY18 Operating Margin – Cash Flow

44

*\$ in Thousands*

Campus	FY2018 BUDGET							OM\$	OM% Cash Flow
	Total Revenues	Total Expenses	Less Depreciation Expense	Plus Principal Expense	Plus Capital Expense	Total Expenditures			
Amherst	1,243,383	1,239,377	(118,802)	41,841	49,950	1,212,366	31,017	2.5%	
Boston	431,135	436,135	(25,711)	12,531	12,221	435,176	(4,041)	-0.9%	
Dartmouth	251,717	251,175	(19,391)	10,036	3,500	245,319	6,398	2.5%	
Lowell	456,934	454,350	(37,812)	13,866	28,500	458,903	(1,969)	-0.4%	
Medical	909,991	907,932	(66,115)	21,409	45,950	909,176	815	0.1%	
Central	116,634	115,358	(4,340)	-	-	111,018	5,616	4.8%	
<b>University</b>	<b>3,333,969</b>	<b>3,328,501</b>	<b>(272,172)</b>	<b>99,683</b>	<b>140,121</b>	<b>3,296,133</b>	<b>37,836</b>	<b>1.1%</b>	

# FY18 Debt Service Burden Ratio

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<i>\$ in Thousands</i>	FY2018 Budget		
	Campus	Total Debt (P&I)	Total Expenses
Amherst	80,202	1,239,377	6.5
Boston	25,809	436,135	5.9
Dartmouth	17,889	251,175	7.1
Lowell	35,042	454,350	7.7
Medical	53,781	907,932	5.9
Central	3,914	115,358	3.4
<b>University</b>	<b>216,637</b>	<b>3,328,501</b>	<b>6.5</b>

# FY17 – FY21 Debt Service Burden Ratio

Campus	FY2018 Budget				
	FY17 Forecast	FY18 Budget	FY19 Projected	FY20 Projected	FY21 Projected
Amherst	6.6%	6.5%	6.8%	7.4%	7.5%
Boston	5.9%	5.9%	6.9%*	8.0%*	7.9%*
Dartmouth	7.2%	7.1%	7.2%	6.9%	6.8%
Lowell	7.2%	7.7%	7.5%	7.5%	7.8%
Medical	6.4%	5.9%	5.8%	5.7%	5.5%
<b>University</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.9%</b>	<b>6.8%</b>

\*Boston’s projected debt ratio assumes borrowing \$71 million for the Garage project; the campus meets the 8% debt ratio cap in FY20 and exceeds it at 8.4% in FY22; if an alternative financing arrangement is implemented, the debt ratio will come below 8%.

# FY18 Debt Service Coverage

47

Campus	FY2018 Budget				
	Surplus / (Deficit)	Depreciation	Interest	Debt Service	Debt Service Coverage Ratio
Amherst	4,006	118,802	38,361	80,202	2.0
Boston	(5,000)	25,711	13,278	25,809	1.3
Dartmouth	542	19,391	7,853	17,889	1.6
Lowell	2,584	37,812	21,176	35,042	1.8
Medical	2,059	66,115	32,765	53,781	1.9
Central	1,275	4,340	3,914	3,914	2.4
<b>University</b>	<b>5,467</b>	<b>272,171</b>	<b>117,347</b>	<b>216,637</b>	<b>1.8</b>





# Board Votes

# Board Votes

49

- T17-031: To Approve the FY18 Operating Budget
  
- T17-032: To Approve Tuition for the Academic Year 2017-2018
  
- T17-033: Authorization to Allocate the FY18 State Appropriation



# BOARD OF TRUSTEES – REQUESTS FOR BOARD ACTION

**UNIVERSITY OF MASSACHUSETTS BOARD OF TRUSTEES**

**COMMITTEE:** Administration and Finance

**ACTION ITEM #1:** FY2017 University Operating Budget

**DATE:** July 17, 2017

**DOC. & VOTE I.D. #:** T17-031

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

To approve the University's Fiscal Year 2018 Operating Budget and to authorize the President to approve changes, as needed, based on the final General Appropriations Act for Fiscal Year 2018 and any changes made to it during the fiscal year.

**UNIVERSITY OF MASSACHUSETTS BOARD OF TRUSTEES**

**COMMITTEE:**    **Administration and Finance**

**ACTION ITEM #2:**    **To Approve Tuition and Mandatory Fees for Academic Year 2017-2018**

**DATE:**    **July 17, 2017**

**DOC. & VOTE I.D. #:**    **T17-032**

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

1. In accordance with Section 1A of Chapter 75 of the General Laws, and Policy T92-031, Appendix E, as amended to authorize the President to set the individual Tuition and Mandatory Fee (Technology Fee and Student Activity Fee) rates for the Amherst, Boston, Dartmouth, and Lowell campuses. The Tuition and Mandatory Fees at each campus is as outlined below for the academic year 2017-2018:

<b><u>Tuition &amp; Mandatory Fees</u></b>	<b><u>Amherst</u></b>	<b><u>Boston</u></b>	<b><u>Dartmouth</u></b>	<b><u>Lowell</u></b>
Undergraduate (in-state)	\$15,411	\$13,828	\$13,571	\$14,800
Undergraduate (regional)	\$26,540		\$18,296	\$25,479
Undergraduate (out-of-state)	\$33,477	\$32,985	\$28,285	\$31,865
Graduate (in-state)	\$16,087	\$17,730	\$15,854	\$15,040
Graduate (regional)	\$27,373		\$20,091	\$22,851
Graduate (out-of-state)	\$32,690	\$34,270	\$28,285	\$26,820
Graduate Law School (in-state)			\$27,016	
Graduate Law School (regional)			\$29,236	
Graduate Law School (out-of-state)			\$35,413	

2. And further, in accordance with Section 1A of Chapter 75 of the General Laws and T92-031 Appendix E, to authorize the President to approve final student housing rent and food service charges for academic year 2017-2018.

	<b><u>Amherst</u></b>	<b><u>Boston</u></b>	<b><u>Dartmouth</u></b>	<b><u>Lowell</u></b>
Room and Board (standard rate)	\$12,258	N/A	\$12,753	\$12,495

3. And further, to authorize the President to approve individual fee rates for other fees and fee/revenue based operations charges.

## BACKGROUND STATEMENT

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### UNDERGRADUATE STUDENT CHARGES:

“In-State” Undergraduate Tuition & Mandatory Fees: This vote authorizes an increase based upon the needs of the campuses combined with an assumed conference budget state appropriation along with other revenues and cost cutting measures to produce an FY18 University Operating Budget that is balanced. To make up the difference driven by costs specified in the Operating Budget (collective bargaining, fringe, financial aid, and capital), each campus will implement a 3.0% increase to Tuition for in-state undergraduate students outlined below. There were no changes to the mandatory Technology Fee and only one increase to the mandatory Student Activity Fee of \$75 at UMass Lowell.

#### In State Undergraduate Tuition

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$14,590	\$15,030	\$440	3.0%
Boston	\$13,110	\$13,503	\$393	3.0%
Dartmouth	\$12,783	\$13,166	\$383	3.0%
Lowell	\$13,932	\$14,350	\$418	3.0%
<b>Weighted Average</b>	<b>\$13,837</b>	<b>\$14,253</b>	<b>\$416</b>	<b>3.0%</b>

#### Undergraduate Mandatory Fees

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$381	\$381	\$0	0.0%
Boston	\$325	\$325	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%

Out of State Undergraduate Tuition & Mandatory Fees: Consistent with the statutory requirement that out-of-state students pay 100% of the cost of education, the proposed rates approximate full cost. In addition, market and competitiveness considerations also inform rate recommendations for out-of-state students.

#### Out of State Undergraduate Tuition

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$31,823	\$33,096	\$1,273	4.0%
Boston	\$31,698	\$32,660	\$962	3.0%
Dartmouth	\$27,068	\$27,880	\$812	3.0%
Lowell	\$30,500	\$31,415	\$915	3.0%
<b>Weighted Average</b>	<b>\$31,269</b>	<b>\$32,384</b>	<b>\$1,115</b>	<b>3.6%</b>

**Undergraduate Mandatory Fees**

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$381	\$381	\$0	0.0%
Boston	\$325	\$325	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%

**STUDENT HOUSING RENT AND FOOD SERVICE CHARGES (ROOM & BOARD):**

The increased rates outlined below are necessary to support the auxiliary dormitory and dining service operations of our residential campuses and will support annualized collective bargaining wage increases, projected energy and utility cost increases and necessary facility improvements. These are non-mandatory fees for services. The table below displays the actual FY17 rates and the proposed FY18 rates for a standard shared room and basic meal plan. Students have the option to select rooms with additional amenities and/or more extensive meal plans at higher rates.

**Room & Board**

	<b>FY 17</b>	<b>FY 18</b>	<b>\$Change</b>	<b>% Change</b>
Amherst	\$11,897	\$12,258	\$361	3.0%
Dartmouth	\$12,296	\$12,753	\$456	3.7%
Lowell	\$12,073	\$12,495	\$422	3.5%
<b>Weighted Average</b>	<b>\$12,026</b>	<b>\$12,424</b>	<b>\$398</b>	<b>3.3%</b>

**TOTAL IN-STATE UNDERGRADUATE RATES WITH ROOM AND BOARD:**

The following table summarizes the change in the Tuition, Mandatory Fees, and Room and Board totals for in-state undergraduate students:

**In-State Undergraduate Tuition, Mandatory Fees, and Room & Board**

	<b>FY 17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$26,868	\$27,669	\$801	3.0%
Boston	\$13,435	\$13,828	\$393	2.9%
Dartmouth	\$25,484	\$26,324	\$840	3.3%
Lowell	\$26,380	\$27,295	\$915	3.5%
<b>Weighted Average</b>	<b>\$23,465</b>	<b>\$24,206</b>	<b>\$741</b>	<b>3.2%</b>

**GRADUATE STUDENT CHARGES:**

Graduate Tuition & Mandatory Fees: The FY17 to FY18 proposed increases in Tuition and Mandatory Fees for both in-state and out-of-state graduate students are listed in the tables below. Market and competitiveness considerations are factors that inform rate recommendations for graduate students.



**In State Graduate Tuition**

	<b>FY17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$13,524	\$13,930	\$406	3.0%
Boston	\$16,863	\$17,375	\$512	3.0%
Dartmouth	\$14,999	\$15,449	\$450	3.0%
Lowell	\$14,304	\$14,590	\$286	2.0%
<b>Weighted Average</b>	<b>\$14,942</b>	<b>\$15,348</b>	<b>\$406</b>	<b>2.7%</b>

**Out of State Graduate Tuition**

	<b>FY17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$29,644	\$30,533	\$889	3.0%
Boston	\$32,913	\$33,915	\$1,002	3.0%
Dartmouth	\$27,068	\$27,880	\$812	3.0%
Lowell	\$25,853	\$26,370	\$517	2.0%
<b>Weighted Average</b>	<b>\$29,263</b>	<b>\$30,092</b>	<b>\$829</b>	<b>2.8%</b>

**Law School Tuition**

	<b>FY17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
In-State	\$25,836	\$26,611	\$775	3.0%
Out-Of-State	\$33,988	\$35,008	\$1,020	3.0%

**Graduate Mandatory Fees**

	<b>FY17</b>	<b>FY 18</b>	<b>\$ Change</b>	<b>% Change</b>
Amherst	\$2,089	\$2,157	\$68	3.3%
Boston	\$355	\$355	\$0	0.0%
Dartmouth	\$405	\$405	\$0	0.0%
Lowell	\$375	\$450	\$75	20.0%

**UNIVERSITY OF MASSACHUSETTS BOARD OF TRUSTEES**

**COMMITTEE:** Administration and Finance

**ACTION ITEM #3:** Authorization to Allocate the Fiscal Year 2018 State  
Appropriation

**DATE:** July 17, 2017

**DOC. & VOTE I.D. #:** T17-033

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

To direct the President to allocate the amount appropriated for the University of Massachusetts in Line Item 7100-0200 of the General Appropriation Act for Fiscal Year 2018 to the campuses.



# BOARD OF TRUSTEES - POLICIES

**POLICY ON THE APPROVAL PROCESS FOR TUITION, FEES AND  
OTHER CHARGES RELATED TO TRUST FUNDS**

**PURPOSE**

The *Policy on the Approval Process for Tuition, Fees and other Charges Related to Trust Funds* establishes the authority for the approval of tuition & mandatory fees, other student fees including optional and one-time fees, auxiliary and revenue based fees and charges, and administrative charges including sales and services.

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**I. INTRODUCTION**

This policy implements authority of the Board of Trustees under Chapter 75, Sections I A, I B, and 11 as amended and Chapter 15A, Section 9i as amended by Chapter 46 of the Acts of 2015 which allowed for full tuition retention for the University of Massachusetts.

**II. POLICY STATEMENT**

**REPORTING**

The President shall annually review and publish schedules detailing tuition & mandatory fees other student fees including optional and one-time fees, and auxiliary and revenue based fees and charges. The schedule of administrative charges including sales and services will be published annually and updated biennially.

**DEFINITIONS AND APPROVAL AUTHORITY**

**Tuition and Mandatory student charges** – include tuition and required fees charged to the typical full-time student for a full academic year. Required charges include all charges which are collected from such a large proportion of all students that the student who does not pay the charge is an exception. They do not include any charges that are clearly optional or one-time (see below). Examples of mandatory student charges include but are not limited to: tuition, student activity fee and the technology fee. With the exception of tuition, these charges are typically the primary revenue source for the student fee based operations/trust funds. The Board of Trustees must act upon the tuition and the mandatory student charges annually and approve the establishment of new mandatory student charges.

**Student Fees for Revenue Based Operations Charges** – These charges are the principal charges for major auxiliary enterprise operations or major campus services funded by student fees or auxiliary revenues. Major auxiliary enterprises are services external, but contributing to, the basic academic mission of the University such as: boarding and residence halls, and corporate and continuing education. The charges are typically non-mandatory or optional. Major campus services are services provided by the campus to major campus constituencies (example: Parking and Transportation). The Board of Trustees approves the establishment of major student fee/revenue based operations charges. The Board of Trustees may delegate fee approval authority to the President.

**Non-mandatory student fees** – include optional or one-time fees or surcharges charged to students for specific services, or special academic program offerings and activities not required of the majority of students each year. Examples of non-mandatory student fees include but are not limited to: laboratory fees, international student exchange program fees, special academic program fees, identification card replacement fees. This group of charges also includes "pass through" or "agency" fees for contracted services such as accident insurance and supplemental health insurance. The President approves non-mandatory student fee rates and the establishment of new non-mandatory fees. A schedule of all non-mandatory student fees shall be reported to the Board of Trustees annually.

**Administrative Charges Including Sales and Services** – These charges are for the sale or use of goods or services that are incidental to the conduct of instruction, research or public service or for administrative services. Examples include but are not limited to: film rentals, sales of scientific and literary publications, testing services, fees for the use of scientific equipment or laboratories, university presses, copy center charges, workshops and conference charges, data processing services, application or late payment fees, etc. The authority to establish and set sales and service and administrative charges is delegated to the Chancellor. A schedule listing all major sales and service charges shall be reported to the President annually.

**UNIVERSITY OF MASSACHUSETTS**  
**POLICY FOR MANAGEMENT OF UNIVERSITY FUNDS**

**1. PURPOSE**

The University of Massachusetts *Policy for Management of University Funds* describes procedures to establish and administer all funds as authorized by Section 11 of Chapter 75 of the Massachusetts General Laws, as amended.

**2. APPLICABILITY**

This policy applies to all campuses and components of the University of Massachusetts and shall include any and all financial resources allocated, negotiated, earned or collected by the University to further the missions of research, teaching and public service including those funds appropriated by the Commonwealth of Massachusetts.

**3. EXPENDITURE AUTHORITY**

The Board of Trustees delegates to the President, each Chancellor, the Senior Vice President for Administration, Finance, and Technology and Treasurer, the Vice Chancellors for Administration and Finance, the Controllers and their designees, the authority to authorize payments on the University systems on behalf of the University. Any such payments must be consistent with the policies and procedures of the University and adhere to reasonable and prudent business principals.

**4. EXPENDITURE OF FUNDS**

All funds, regardless of the source or the manner in which they are acquired, are considered to be University Funds. The interpretation of this policy as well as the expenditure of these funds are based solely on reasonable and prudent actions by University employees expending public funds. All University employees should exercise their fiduciary responsibility in a manner consistent with the confidence and trust granted to them by the Board of Trustees in disbursement of these funds.

The President and Chancellors are responsible for the overall fiscal integrity of the University. The Vice Chancellors for Administration and Finance and the Senior Vice President for Administration, Finance, and Technology and Treasurer are operationally responsible for all transactions affecting both the Financial Records System and the fiscal status of the University.

Fund expenditures must meet the following minimum guidelines and criteria. These criteria represent the minimum acceptable standards, and campus guidelines may be more, but not less, restrictive.

- a. Expenditures must relate to and support the purpose for which the fund was established. Expenditures must be consistent with the statement of purpose for that fund.
- b. Expenditures from any fund must be used to promote the educational, research or public service mission of the University.
- c. University employees may not expend funds for personal gain.
- d. Any expenditure for supplies, printing, equipment, or any other real property shall conform to the *University Purchasing Policy* (Document T92-031, Appendix A).
- e. All expenditures for employee travel must conform to the *University of Massachusetts Travel Policy* (Document T92-031, Appendix B).
- f. Any expenditure related to compensation, benefits or perquisites for the President or Campus Chancellors must comply with the *Executive Compensation Policy for University President and Campus Chancellors* (Doc. T93-062).
- g. Expenditures for political contributions are prohibited.
- h. Expenditures for business expense activities are subject to the *University Business Expense Policy*, (Document T92-031, Appendix C).
- i. Personal gifts showing gratitude to another employee may not be purchased with University funds.
- j. Awards or gifts given to University employees in recognition of distinguished or meritorious service to the institution must have prior approval from the campus Vice Chancellor for Administration and Finance or designee.
- k. Funds may not be expended for personal violations or fines.
- l. Contributions and gifts given to external organizations by the University must be approved by the Chancellor, Vice Chancellor or designee. Written approval must accompany any documentation for any such expenditures.

## **5. IMPLEMENTATION**

The University of Massachusetts Board of Trustees recognizes that each campus is unique. Faculty, staff, and students, based upon experience and campus mission, are encouraged to conduct research, education and public service activities in a manner consistent with the campus academic and institutional objectives. Implementation of this policy shall not impede the progress of campus objectives.

The President, in consultation with the Vice President(s) and Chancellors, will issue administrative directives and procedures to implement this policy. In addition, where specified within this policy, each campus may develop its own internal guidelines for implementation of this policy. The guidelines must be submitted by the Campus Chancellor to the President or his designee for approval. Campus guidelines may be no less restrictive than directives in this document.

## **6. BUDGETING FOR UNIVERSITY FUNDS**

An annual operating budget for the University is prepared and approved by the Board of Trustees each fiscal year. The operating budget presents projected revenue and expenditures for all five campuses as well as the President's Office and Institute for Governmental Services.

The University Senior Vice President for Administration, Finance, and Technology and Treasurer has primary responsibility for planning and coordinating the annual budget process. Schedules, standards, guidelines, formats and budget parameters are promulgated through the Senior Vice President for Administration, Finance, and Technology and Treasurer.

## **7. RECORDS**

The official financial records of the University are maintained in the University's Financial Records System (FRS). Supplemental financial records may also be retained, but must be consistent with and reconcile to the official information maintained in the Financial Records System. All data used to generate internal or external financial information must reconcile to the Financial Records System.

## **8. REPORTING**

The University Controller is responsible for the fiscal integrity of the Financial Records System. The University Controller will issue guidelines for the categorization of funds to ensure that reporting will comply with the National Association of College & University Business Officers (NACUBO) classification and American Institute of Certified Public Accountants (AICPA) and FASB/GASB guidelines. Each campus will submit as requested to the University Controller a periodic report defining the campus' categorizations for each segment of its chart of accounts. There will be annually audited financial statements for the University. The Senior Vice President for Administration, Finance, and Technology and Treasurer or his designee will issue procedures and guidelines for the University Financial Report. All University-wide financial reports will be reviewed by the Senior Vice President for Administration, Finance, and Technology and Treasurer. Campus financial reports must be reviewed by the Campus Vice Chancellor for Administration and Finance, Campus Financial Officer, or designee. All external reporting must reconcile to the Financial Records System.

## **9. AUDITS**

Audits of all University funds covered in this policy will be subject to the process established by the Trustees' *Audit Protocols* (Doc. T92-062).

## **10. INTERNAL CONTROLS**

Internal controls are designed to safeguard assets, verify the accuracy and reliability of accounting data, and promote operational efficiency. The University Controller is responsible for the promulgation of internal control policies and procedures. Each campus shall develop and document internal controls consistent with generally accepted accounting principles. University Auditing shall periodically make recommendations, review department activities and internal controls.



## **11. CASH MANAGEMENT AND INVESTMENT POLICY**

The University Treasurer is responsible for the investment of University funds as described in the *Investment Policy and Guidelines Statement*. (Trustee Document T92-031, Appendix F).

## **12. TRUST FUND INTEREST**

The Board of Trustees of the University of Massachusetts collects funds which are deposited and invested by the University Treasurer. Annually on June 30 one percent (1%) of the average book value of the quasi-endowment will be set aside from the Trust Fund interest earnings for use by the President of the University for development efforts. All remaining investment income generated from all University funds net of the expenses associated with cash management operations, will be returned to the campus from which it was generated. To insure the long-term financial viability of the University, funds will be invested according to the *Investment Policy and Guidelines Statement*. (Appendix F). These funds are allocated in accordance with the annual budget process (Section 6).

These funds are subject to all institutional guidelines of this policy.

## **13. LOANS BETWEEN FUNDS**

Short-term, inter-or-intra-campus loans exclusive of reimbursable grants, contracts, and cooperative agreements may be made between funds when necessary. Loans shall require approval of the Board of Trustees, upon recommendation by the President, when they exceed \$20,000, when the repayment schedule exceeds five years, or when a loan involves more than one campus. No loan of any amount or any duration shall be made without the written approval of the Chancellor. A rate of interest equivalent to 50 basis points more than the comparable United States Treasury instrument as determined by the University Treasurer will be applied to these loans. Interest payments shall be returned to the fund that provided the loan. Each loan shall be accompanied by a loan agreement, which must be approved by the Chancellor or Board of Trustees, as appropriate. Any loan to an external organization shall be approved by the Board of Trustees. All loans will be recorded in FRS.

Funding for reimbursable grants, contracts, and cooperative agreements are covered under other University policy guidelines.

## **14. TRANSFERS BETWEEN FUND TYPES**

Transfers allow for the re-allocation of monies between and among funds. There are two types of transfers: mandatory and non-mandatory. Mandatory transfers are required by law and are used for items such as debt service. Non-mandatory transfers occur between fund groups and are so designated in the financial statement. Certain non-mandatory transfers are direct subsidizations and must be approved by the appropriate Vice Chancellor for Administration and Finance or Campus Fiscal Officer and reported annually during the budget process. Any funds used for direct subsidization must be for specific uses that are substantially related to the statement of purpose of the operation making the transfer.

## **15. RESERVES**

Reserves are critical to operational planning. Reserves may be either dedicated (available for a specific future use) or temporary (available for short-term operating needs). Activities may establish reserves to cover facility and equipment repair as related to the fund operation. Dedicated

reserves for repair of plant and equipment should not be transferred back to current operations. The appropriate Vice Chancellor and the Vice Chancellor for Administration and Finance or appropriate Fiscal Officer must approve the process for establishing and funding reserves.

## 16. PERSONNEL POLICIES

All personnel policies established by the Board of Trustees and all relevant state laws shall be applied as appropriate to employees of University funded activities.

## 17. REVENUE-BASED OPERATIONS

Revenue-based operations are a major subset of University funds. The University of Massachusetts Board of Trustees has the authority under Massachusetts General Laws Chapter 75, as amended, to establish, administer, and manage revenue-based funds for self-amortizing projects and self-supporting activities. Under that authority many activities have been established that are actually revenue-based operations essential to supporting a large portion of the institution's activities. This section describes the procedures to establish and manage these revenue-based operations.

### a) Establishment of Revenue-Based Operations

Any request to establish a new revenue-based operation or to substantially change the purpose or name of an existing revenue-based operation must be presented to the Board of Trustees for approval as a specific item. Normally, this will take place during the annual budget process. All requests made by the campus must be submitted by recommendation of the Chancellor to the President. The President will certify to the Board of Trustees that the request has received appropriate financial and legal review and that it adheres to existing Board of Trustee policy and state law.

New cost centers may be established within existing multi-function revenue-based operations upon approval of the Campus Controller and/or Budget Office (off-cycle) if the activity is consistent with the statement of trust/purpose. This process requires a budget revision which must be approved by the Campus Budget Office as well as the appropriate campus fiscal officer. All cost centers established off-cycle must be specifically listed in the next program statement revision for approval by the Board of Trustees. Revenue-based operations must comply with the parameters as required by federal tax law.

To consolidate and reduce the number of revenue-based operations that are considered separate Board of Trustees approved operations, no revenue-based operations should be established where anticipated annual expenditures are less than \$100,000. This parameter serves as a guideline. A campus may justify exceptions during the annual budget approval process. Each revenue-based operation must be assigned to a major campus budgetary organizational unit.

### b) Budgeting for Revenue-Based Operations

Annual budgets are developed and reviewed to assist management in the effective allocation of resources and to provide others with an understanding of the operations of the University. Each campus will follow an annual budget cycle as described in Section 6, Budgeting for University Funds.

### c) Modified Indirect Overhead Cost

Revenue-based activities increase the operational cost of certain administrative units. Therefore, non-state funded operations shall be assessed a charge which will reflect either: 1) an allocable share of the operational costs of support services and administrative activities or 2) the actual cost of such services and activities.

Identifiable costs may be determined and assessed by individual campuses.

Each campus will develop and file with the Senior Vice President for Administration, Finance, and Technology and Treasurer a cost methodology every two years, noting any exceptions for review. This rate must be based on actual costs recorded in the Financial Records System. The modified indirect overhead cost rate will be assessed in whole or in part to all revenue-based operations.

d) Reporting on Revenue-Based Operations

The Senior Vice President for Administration, Finance, and Technology and Treasurer will establish an annual year-end review process of all revenue-based operations. This will be done in addition to the regular, on-going review of all funds conducted by the campus Budget Directors, Controllers and Vice Chancellors. This review will consist of an examination of the previous fiscal year's income and expenses, in addition to a comparison of budget versus actual figures. Any operating deficits must be reported to the President's Office with a specific plan for correction that will be implemented during the next six months. Any surplus operating funds in excess of 25% of the previous year's expenditures that are not designated as reserves must be calculated and incorporated into the current year's budget plans.

## 18. EXCEPTIONS TO THIS POLICY

The Hospital and Group Practice Plan at the University of Massachusetts Medical Center have certain unique features. While this policy applies to these operations, the following exceptions should be noted:

a) Definition

The Hospital and Group Practice Plan use a separate general ledger sub-system that reconciles to the Financial Records Systems but contains categories and attributes unique to their health care operations.

b) Reporting

The Hospital and Group Practice Plan use reporting guidelines developed by their respective national organizations.

c) Personnel Policies

The Group Practice Plan follows specific personnel policies outlined in Chapter 733 of the Acts of 1974, the state law that established the Plan.