University of Massachusetts
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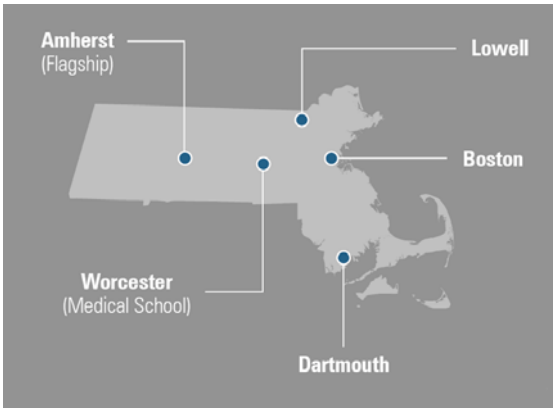
UNIVERSITY OF MASSACHUSETTS
FISCAL YEAR 2009 STATE BUDGET REQUEST

The University of Massachusetts requests a total maintenance appropriation of **$509,846,613 for fiscal year 2009.** This amount represents a $40.8 million (or 8.7%) increase over the final FY2008 appropriation. This amount would fill one-seventh of the state funding "gap," as generated by the University's budget request funding formula, as well as cover the cost of all state funded collective bargaining agreements for FY2008.

The fundamental mission of the University is to provide, within available resources, the highest possible quality of instruction, research and public service to the widest possible segment of the citizens of the Commonwealth. The University is committed to providing, without discrimination, diverse program offerings to meet the needs of the whole of the state's population. The University's five campuses and UMassOnline are geographically dispersed throughout Massachusetts and possess unique and complementary missions. The University plays a positive role in the economic development of the Commonwealth, contributing over $4 billion in economic activity. Our research enterprise alone brings to the Commonwealth over $404 million in external funds.[1]

The level of state support is the key factor influencing the University's overall financial condition. The University has been able to make great strides in recent years recovering from the significant budget cuts of 2001 to 2004. Growth in state support supported the University's overall programmatic success and financial performance in many areas:

- Applications and enrollments, SAT scores and high school G.P.A.s of entering students continue to improve.
- The University raised over $90 million from private sources in FY2007 and has an endowment of $350 million. The endowment has grown significantly since last year due to the establishment of the Trustees Quasi-Endowment Policy. The number of endowed professorships has grown ten-fold since the inception of the state funded Endowment Incentive Program.
- Externally funded research grants and contracts amount to over $404 million.
- Revenues from licensing and patents of university research generated $31.2 million in 2007 up from $300,000 ten years ago.
- Investments in capital and technological infrastructure increase each year to support a rolling five year capital plan that exceeds $2.9 billion.



Like other public universities across the country, the University of Massachusetts endured declines in its state appropriation prior to fiscal year 2004. As a result of the fiscal difficulties facing the Commonwealth, the University's allocation of general state appropriations decreased by almost $128 million or 26 percent between fiscal years 2001 and the beginning of 2004.[2] The University Board of Trustees consequently ended a six-year freeze on student charge increases. Cost-cutting measures were implemented across the University, including

[1] UMass: A Strategic Investment: A Critical Asset for the Commonwealth's Economic Future; The University of Massachusetts and the Life Sciences: World Class Quality and Global Impact.

[2] When adding in reductions to other important state appropriations to the University between FY2001 and FY2004, the total impact to the University peaked at over $146.7 million or -29%. This total included FY01 to FY04 reductions to the University's maintenance appropriation of -$127.85M; Library allocation -$8.87M; and the elimination of the $10M UMASS endowment incentive program.

program eliminations and employee reductions through lay-offs, attrition and full implementation of early retirement programs.[3] For the past five academic years, as state appropriations have recovered, annual student charge increases have been limited to rates at or below inflation. It is the goal of the President to maintain such an approach on a continuing basis.

Beginning in late fiscal year 2004, state appropriations to the University increased after the three years of cuts. Increased appropriations in fiscal years 2004 though 2007 funded previously unfunded collective bargaining agreements, new collective bargaining agreements, and provided increased dollars in support of the general operations of the University.

The University completed negotiations with its state-funded collective bargaining units for one-year contracts covering the time period of July 1, 2007 through June 30, 2008 (FY2008). The contracts have been filed by the Governor as part of a supplemental appropriations bill. The total cost of these contracts in FY2009 is $15.9 million. The base state appropriation of $510.2 million requested by the University would cover these costs as well as one-seventh of the total funding required to close the funding formula gap. Negotiations for new three-year contracts will be beginning soon between the University and employee organizations in order to have new contracts in place for the July 1, 2008 through June 30, 2010 contract period. Costs for the 2008-2010 contracts are not included in the University's budget request for FY2009.

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

The level of state support requested for FY2009 is vital to the overall success of the University and will allow the University's five campuses to continue to provide high quality and accessible education, cutting edge research, and valuable public service and economic development programs to the citizens of the Commonwealth. Appendix B describes in greater detail campus and system strategic mission-related goals for FY2009.

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

UNIVERSITY LINE ITEMS

The University is requesting continuation of separate line item appropriations for the Commonwealth Honors College, the Star Store and Advanced Technology and Manufacturing Center programs, the Toxics Use Reduction Institute, Massachusetts Office of Dispute Resolution, and the University Endowed Professorship Incentive Program. These programs have all received state support in recent years through separate line item appropriations.

1. Commonwealth Honors College **Amount: $5.48 million**

Between FY1999 and 2005, the state funded a separate line item appropriation of $1.75 million to support the development of the Commonwealth Honors College at Amherst. In FY2006 and FY2007, the state doubled its support for this successful program. Due to significant increases in enrollment, the University is requesting $5.48 million in funding for FY2009. The increase in this state special appropriation will help meet growing enrollment demands and increase support for the activities conducted by Commonwealth College on behalf of the statewide network of honors programs. Commonwealth College enrollment currently averages 4,000 students.

[3] It is projected that for FY2008, there will be 290 fewer FTE state funded employees at the University than there were in FY2002 (not including the Medical School).

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

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

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

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

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

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

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

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

4. Toxics Use Reduction Institute (TURI) — Amount: $1.95 million

The Massachusetts Toxics Use Reduction Institute (TURI) at the Lowell campus was created to promote reduction in the use of toxic chemicals and the generation of toxic by-products in industry and commerce in the State of Massachusetts. TURI has received a separate line-item appropriation for a number of years. In the FY2008 budget, the TURI line item included an earmark of $250,000 to be expended on research for breast cancer prevention. The

University is requesting an increase in funding for FY2009 to this special state appropriation to cover increases in collective bargaining costs. The FY2009 budget request also assumes the continuation of the above earmark; however, the University would prefer that the earmark be converted into a separate line item in the budget.

5. University Endowment Incentive Program Amount: $10.0 million

In FY2001, a $10 million incentive fund was created to assist the University in raising private funds for endowed professorships in critical academic disciplines. The University exhausted the initial $10 million which generated $23.5 million in University endowment funds when matched with private funds. These funds provide salary, administrative and other support for the professors in perpetuity. The endowed professors program allows the University to retain and attract nationally recognized scholars in fields that are critical to the quality of life in Massachusetts. The University has made the establishment of endowed professorships a top priority and the match program has been instrumental in creating more than 40 professorships system-wide as well as numerous scholarships for students.

The program was recently funded in a FY2008 supplemental appropriations act. That program allocated $7,000,000 to fund an endowment match program for UMASS. The $10 million request for FY2009 would keep the University on track to reaching the $50 million goal set by statute.

6. Massachusetts Office of Dispute Resolution (MODR) Amount: $425,000

Formerly a state agency within the Executive Office for Administration & Finance, MODR is in its third year as a free-standing institute of the University of Massachusetts Boston. For over 20 years, MODR has been a valuable resource to the Commonwealth, assisting public agencies and communities to use proven approaches in resolving conflicts and building agreement on contentious public issues. MODR's 5-year business plan at UMass Boston sets the goal of diversifying and expanding funding through cultivation of private grants and foundation awards. In order to demonstrate investment-worthiness and leverage private donor funding, MODR needs restoration of state funding for its core public functions. MODR is seeking a state appropriation in line item 7100-0700 of $425,000 for FY09, which restores the agency to the funding level it had prior to 2003. The additional $258,560 requested is a small investment that would demonstrate to external funders the State's commitment to MODR's public mission, bring MODR programs up to scale and restore infrastructure for conflict resolution, collaboration and civic engagement that is critically needed in advancing the State's current priorities.

University of Massachusetts
FY2009 Budget Request & Formula Analysis

I. TOTAL FORMULA FUNDING NEED	**$1,376,930,781**	
II. CURRENT NON-STATE REVENUES		
Tuition & Fees Revenue (net of scholarship allowances)	$434,794,000	
Other Non-Operating revenues (unrestricted)	$131,533,633	
TOTAL CURRENT NON-STATE REVENUES	**$566,327,633**	
III. NET STATE SUPPORT NEEDED (I-II)	**$810,603,148**	
IV. CURRENT STATE SUPPORT (FY08 est.)		
State Maintenance (plus retained tuition)	$491,027,013	
Fringe Benefits (FY2007 actuals)	$145,234,000	
TOTAL CURRENT STATE SUPPORT	**$636,261,013**	
V. ADDITIONAL FUNDING NEEDED -- "The Gap" (III.-IV.)	**$174,342,135**	
(less Strategic Priority Funding)		
Requested State Budget Appropriation Increase to Close the Gap in 7 years	**$24,906,019**	**5.3%**

FY2008 State Appropriation (does not include Tuition Retention)	**$469,012,776**	
FY2009 Cost of Collective Bargaining Agreements	**$15,927,818**	
Requested Increase	**$40,833,837**	**8.7%**
Total Requested FY2009 Maintenance Appropriation	**$509,846,613**	

Appendix A:
Fiscal Year 2009 Budget Request Funding Formula Summary

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

The formula was initially developed in the early 1990's during the time when the University was coming together as a five campus system after the 1991 reorganization. The formula was used to inform the University's annual state budget request and the allocation of state appropriations decisions from FY1994 through FY2002. Reductions in state support for the University and continuing economic instability necessitated a different approach for the FY2003 and FY2004 state budget requests. For those two annual budget requests, the University sought level funding and appropriations to support collective bargaining contracts from the Commonwealth only. The University ran the funding formula with updated data for the preparation of the FY2005 through FY2008 state budget requests and has run the formula again to inform the FY2009 state budget request. The total funding formula determined need to deliver core University programming is $1,376.9 billion.[4]

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

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

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

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

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

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

[4] Not including funding for the strategic priority component of the formula which, when added, increases the formula need to $1,438.9 billion.

Fiscal Year 2009 Budget Request Funding Formula Detail

Overview

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

General Notes

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

Fringe Benefits
Fringe benefits are counted both as a revenue and expenditure wherever appropriate. The overall fringe rate used is 30.7%, which includes the Massachusetts rate of 29.37% plus additional costs not covered in that rate.

Component Detail

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

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

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

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

The dollar need for faculty resources was determined by multiplying the number of faculty lines needed by the average faculty salary. An additional 30.7% was added to this amount for fringe benefit costs. This represents the current state rate for fringe benefits – 29.37% -- plus 1.33% for estimated costs of additional fringe benefits not covered by the state, such as health insurance and unemployment insurance contributions.

Teaching Assistants
In addition to full and part-time faculty, a significant role in any research university is played by teaching assistants (TAs). The formula determines needs for teaching assistants by maintaining the current ratio of TAs to faculty, even though graduate activity is increasing university-wide. TAs currently make up approximately 11% of total instructional lines at the University, therefore 11% of the need for instructional lines as determined by the formula was assumed to be covered by TAs. Costs for TAs were calculated by taking the full-time equivalent value of an average TA stipend and multiplying that amount by the total FTE TA lines needed. The total cost of supporting TAs includes tuition and fee waivers as well as stipends. Therefore the average cost of providing waivers was also added to the total TA cost.

Support Staff
In addition to looking at an adequate level of instructional positions for the number of students we serve, the formula looks at an average ratio of support staff to instructional personnel. The support staff ratio is calculated at 27% of the total FTE instructional personnel needed. This percent is based on an estimate used in previous formula assessments at the University. The number of FTE support staff determined in the formula is multiplied by the average University support staff salary. An additional 30.7% of salary cost was added to cover fringe benefit costs.

Equipment/Supplies/Other Support Costs
The final area of funding for instruction is the calculation of other instruction related costs: equipment, supplies, and other support costs (these include cost of student workers and other non-benefited employees who are not counted elsewhere). The rate per FTE instructional line was calculated based on FY2007 expenditures.

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

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

Public Service
Public service is another key area of activity for the University. It includes use of University expertise and personnel to provide service to the State and the communities and regions immediately surrounding our campuses, and is part of the historical tradition of Public Land Grant Universities. Support for public service is calculated in the formula by taking 3% of the total generated in the instruction component of the formula.

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

Plant Operations and Maintenance
Plant operation and maintenance is an area of particular concern because of the need to improve and maintain our assets. The calculation of costs for the plant component has several factors: utility costs, costs of maintaining buildings and grounds, and renewal and adaptation of plant. None of the calculations for the plant component includes the cost of maintaining properties used to run auxiliary operations such as dormitories, dining halls, or bookstores. It is assumed that the revenues from these operations cover maintenance costs. Also not included in the formula, but clearly a growing cost for the University, is the cost of debt service that supports the University's non-auxiliary capital program. In FY2007, the University expended approximately $91 million on debt service payments for improvements to core academic and research facilities and the infrastructure needed to support those activities.

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

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

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

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

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

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

Obviously, given the current fiscal environment and the immediate need to support the continued funding of our collective bargaining agreements, strategic priority funding may need to be considered on a go-forward basis rather than incorporating this component into the FY2009 request.

The following table summarizes the results of the running the funding formula. Attachment 1 provides a more detailed analysis of the components of the formula. The total need determined by the formula is $1,376.9 billion. This represents a level of support that should be available to deliver the core teaching, research and service mission. Current levels of state and non-state revenue support meet all but $174.3 million when removing the strategic priority funding component. This number represents the "gap" that the University seeks to fill in part with its FY2009 state budget request.

University of Massachusetts
FY2009 Budget Request & Formula Analysis

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II. CURRENT NON-STATE REVENUES	
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Other Non-Operating revenues (unrestricted)	$131,533,633
TOTAL CURRENT NON-STATE REVENUES	**$566,327,633**
III. NET STATE SUPPORT NEEDED (I-II)	**$810,603,148**
IV. CURRENT STATE SUPPORT (FY08 est.)	
State Maintenance (plus retained tuition)	$491,027,013
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TOTAL CURRENT STATE SUPPORT	**$636,261,013**
V. ADDITIONAL FUNDING NEEDED -- "The Gap" (III.-IV.)	**$174,342,135**
(less Strategic Priority Funding)	

ATTACHMENT I
UNIVERSITY OF MASSACHUSETTS
FY2009 BUDGET REQUEST FORMULA: COMPONENT ANALYSIS OF TOTAL FORMULA NEED
(INCLUDING MEDICAL SCHOOL)

Formula Component	Total Need	% of Total	Method of Calculation
INSTRUCTION	**$592.7**	**43.0%**	
Includes salaries and fringe benefits for faculty and instructional support staff, and costs for teaching assistants. Also includes funds for instructional equipment, supplies, and other support costs.			FTE students/staffing ratios=FTE instructional lines (faculty and TA's) FTE faculty X average salary = faculty salary costs FTE faculty x fringe rate ('07) = faculty fringe costs FTE TA lines x average stipend = TA stipend costs FTE TA lines x average waiver = TA waiver costs Instructional lines x support staff ratio = FTE support staff FTE support staff x average salary = support staff salary costs FTE support staff x fringe rate ('07) = support fringe costs Instructional lines x average actual cost per instructional line = equipment/supplies/support costs
PLANT OPERATION AND MAINTENANCE	**$335.0**	**24.3%**	
Includes expenditures for building and grounds maintenance and utilities as well as funds for renewal and adaptation of plant.			Utilities: actual costs (3-year average) Building Maintenance: $4.39 per GSF Grounds Maintenance:$6,944 per acre Renewal Costs: 3% of estimated replacement cost Adaptation Costs: 2% of estimated replacement cost
ACADEMIC SUPPORT/STUDENT SERVICES	**$188.6**	**13.7%**	
Includes support for libraries, computer centers, AV services, as well as expenditures for admissions, registrar, student counseling, etc.			$ 1,705 to $3,172 per HC student (CAMPUS peer averages)
FINANCIAL AID	**$91.5**	**6.6%**	
Includes support of financial aid programs except mandatory tuition waivers.			20% of sum of total fiscal year billed tuition and mandatory fee revenues
INSTITUTIONAL SUPPORT	**$77.9**	**5.7%**	
fiscal operations, data processing, personnel, legal counsel, etc.			6% of all other component costs (Instruction, Research, Public Services PO&M, etc.)
RESEARCH	**$73.4**	**5.3%**	
Provides matching support of current sponsored research activity plus support of non-sponsored departmental research and start-up costs for new research.			15% of sponsored research dollars (3-year average) 3% of Instruction
PUBLIC SERVICE	**$17.8**	**1.3%**	
Supports non-instructional services to groups and individuals outside the University.			3% of Instruction
TOTAL FORMULA NEED	**$1,376.9**	**100%**	

TOTAL CURRENT NON-STATE REVENUES	-	**$566.3**
NET STATE SUPPORT NEEDED		**$810.6**
CURRENT STATE SUPPORT	-	**$636.3**
ADDITIONAL FUNDING NEEDED -- "The Gap"		**$174.3**

Appendix B:
FY2009 University Mission & Strategic Related Goals Update

University of Massachusetts – Mission & Strategic Related Goals

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

The University's constant efforts at inter-campus collaboration, combined with a continued focus on raising non-state revenue, has protected the academic quality of the campuses when they had to cope with $128 million cuts in base state support for the University.

In 2007, the University increased annual private support, licensing of UMass research and external research funding. Meanwhile, the academic profile of our incoming freshmen continued its steady improvements.

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

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

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

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

- Expand external research funding from approximately $400M to $600M
- Raise the endowment of the University
- Enhance and improve the student experience by investing in programs of distinction at all of our campuses

The following sections are excerpted from campus updates to their strategic and mission related goals reports for FY2009.

University of Massachusetts – Amherst

The strategic goals of the Amherst campus are to add faculty to enhance the core teaching and research mission, to renovate and renew campus space, and to provide services to support student retention and student success.

Restoring faculty strength on the Amherst campus, after more than a decade of decline, is the crucial investment necessary for maintaining this flagship institution as a nationally competitive public research university. This goal was articulated in the Amherst 250 Plan and the campus has devoted its share of incremental state appropriations the last three years to fund 150 new faculty positions. The first wave of faculty hires went primarily to increase the teaching capacity of colleges and departments significantly understaffed for the number of students enrolled, and to recognize existing research strength and funding opportunities. The emphasis of the Amherst 250 plan is now shifting to better match instructional supply and demand and to expand the capacity of units demonstrating strong research or creative potential. The campus will reward measurable performance, leveraging state dollars in the most efficient manner to improve the quality of instruction and the scope of the research enterprise. These instructional and research-driven investments will spur economic development for the region and the state and expand opportunities for affordable, high-quality education.

The restoration of faculty numbers must be accompanied by the renovation and renewal of campus space. Later this year the new Studio Arts buildings will open, as will historic Skinner Hall, which is being renovated for the Nursing program. Next year will see the opening of a new integrated science building and a new student recreation center. In addition to these new buildings, much of this capital spending is dedicated to addressing deferred maintenance and ensuring that there is adequate space for existing and incoming faculty. Even after this sizeable investment, the deferred maintenance backlog will still far exceed the deficiencies faced by peer institutions.

The focus on faculty and physical plant renewal supports the success of the campus in teaching and research. In addition, the campus has made investments in Student Affairs and the academic programs of the institution to support a new integrated approach to promoting student success. Students succeed when services and activities that promote academic achievement operate in collaboration and with considerable integration with those programs that promote student extracurricular and social development through student services. The measure of success in this coordination and integration is improved student retention and eventual graduation. The most important time for this work is during the first year of a student's academic career on campus. The Amherst campus through its First Year Experience program in the residence halls and increased academic advising resources are working to give students the right combination of support to ensure their academic and personal success. In addition, by focusing on access and affordability, the Admissions office will continue to make significant improvement in the recruitment of high quality students to ensure a diverse and academically capable student body that represents the college going population of Massachusetts.

The increase in state support the last three years, while still not fully recouping the loss of state appropriation incurred earlier this decade, is enabling the campus to begin implementing the Amherst 250 plan. From its own growing revenue base, the campus will address critical infrastructure needs through the implementation of the capital plan. The campus needs to do much more, however. The anticipated continued strong state support, increased private investment through fundraising, and a growing portfolio of research support and extended off-campus and continuing education programs will leverage the state's and the student's investment in UMass Amherst. These investments from all sources will allow the campus to continue the growth and progress required to sustain a nationally competitive public higher education opportunity for our students and the Commonwealth.

University of Massachusetts Boston

STRATEGIC PLANNING/FUTURE VISION

The University of Massachusetts at Boston has been actively engaged in preparing for its future. From September 2006, when the strategic planning process, ***UMass Boston Renewal: Fidelity to Urban* Mission**, was initiated, to June 2007 when the Chancellor's Strategic Planning Task Force presented its final report, the campus conducted an inclusive, enlivening and energetic planning process. The strategic plan implemented by the University of Massachusetts Boston will be aligned with, and enable the campus to more fully realize, the stated priorities of the Board of Trustees, which are as follows:

- *Enhance the Student Learning Experience*
- *Maintain and Improve Affordability and Access*
- *Develop First-Rate Infrastructure*
- *Position the University Effectively in the Higher Education Marketplace*
- *Renew the Faculty*
- *Strengthen the University's Research and Development Expertise*
- *Develop a Leadership Role in Public Service*

Chancellor J. Keith Motley is now working with his executive staff to prepare a strategic plan for the University of Massachusetts Boston that is based on four primary goals, as recommended by the Chancellor's Strategic Planning Task Force. These goals are:

1. Increase Student Access, Engagement, and Success
2. Attract, Develop, and Sustain Highly Effective Faculty
3. Create a Physical Environment that Supports Teaching, Learning, and Research
4. Enhance Campus-Community Engagement through Improved Organizational Structures

1. Increase Student Access, Engagement, and Success

For the Fall 2007 semester, UMass Boston enrolled its largest full-time equivalent (FTE) student body in recent history; the 9,817 FTE students represent an 11 percent increase over Fall of 2006. The campus experienced a 17 percent increase in freshman applications and a 12 percent increase in acceptances that yielded a freshman class of just over 1,000 students; admissions for transfer students, doctoral students, and master's students were up 5.4 percent, 9.6 percent, and 16.6 percent, respectively.

The campus attributes the growth in enrollment to a number of factors, including strengthened recruiting and enrollment marketing strategies, expanded outreach to new markets, enhanced admissions programming, increased local housing assistance, and improvements to orientation and new student programs. The opening of the Campus Center, as well as the delivery of integrated student services from the One Stop student services operation in the Campus Center, and the work of our Student Affairs and Enrollment Management units to connect students to and engage them in the life of the campus are all contributing to retention efforts.

In collaboration with the colleges, the offices of Academic Support Services, Enrollment Management, Student Life, Information Technology and other student service departments are delivering improvements in advising, registration, academic and self-service technology, service-learning, career services, study abroad, international student services, student activities, and athletics, all of which are contributing to increased enrollment and student success.

Over the last five years, the campus's contribution to need-based financial aid has grown by 235 percent, from $1.4 million to $4.7 million. In addition to the increase in financial aid, funding for the general operating activities (excluding state-funded salaries) of Academic Support Services, Enrollment Management and Student Life has grown by more than $600,000, or 52 percent, since FY2004.

University of Massachusetts – Boston (continued)

UMass Boston is committed to providing sufficient financial aid to ensure access for quality students with need. While we continue to increase annual allocations for financial aid, too many students still rely on substantial loans to fund their educations. In FY2006, UMass Boston students received a total of $63.7 million in aid from all sources, including $40 million (63%) from loans. In FY2009 and beyond we will continue to increase our campus financial aid allocation.

2. Attract, Develop, and Sustain Highly Effective Faculty

Focus on Faculty

UMass Boston continues to rebuild its faculty after the exodus caused by the early retirement incentive programs in fiscal years 2003 and 2004. In Fall 2007, we added 34 new full-time faculty. The influx of new full-time faculty allows UMass Boston to continue to strengthen undergraduate and graduate teaching, and to expand research activity. To provide faculty and their students with effective tools for teaching and learning, the campus converted 70 percent of its classrooms to "Smart Classrooms" via upgraded technology systems in FY07; expanded wireless network access (Wi-Fi coverage) on campus; expanded and refurbished the Assisted Learning Center to improve computer access for disabled students; and established a state-of-the-art media center to facilitate language instruction and the use of multimedia tools. To support faculty in their teaching activities, the University implemented a new e-learning management system (Web Course Tools or WebCT.)

Faculty can and should be nurtured at all points in their careers. Therefore, UMass Boston is considering how best to provide campus-wide, career-span faculty development program. Faculty success is related not only to the personal expertise and skill of individual faculty members, but also to the size, diversity, composition and workload of the faculty as a whole. The campus is exploring those issues as well.

Focus on Research

Recognizing that faculty research, scholarship, and creative activity are the distinguishing characteristics of a great University and a vital part of UMass Boston's contribution to the city and to the commonwealth, the campus is committed to supporting faculty research and expanding its investment in research and sponsored programs. Recently, the campus published *Research Reenvisioned for the 21st Century.* This report, prepared for the campus by the Batelle Technology Partnership Practice, provides an assessment of UMass Boston's research base and identifies new strategic research opportunities.

In order to support our existing research strengths and take advantage of new opportunities, the campus must continue its efforts to attract superior faculty members whose research is at the forefront of their fields; continue its investment in graduate assistantships and doctoral and post-doctoral candidates; consider the development of specialized core research facilities that provide the equipment and technical expertise that are essential to meeting the research needs of faculty members and graduate students; continue modernizing and expanding IT resources that support research activities; enhance library services; dramatically invest in the campus physical infrastructure; and take other steps that will put the campus squarely on the path to local and national recognition as a top-tier public, urban research institution.

These efforts will require a greater commitment by faculty in the pursuit of research funding, and will require a greater investment of resources by the University in the recruitment of renowned faculty and talented graduate students, and in laboratories and the library, where research is conducted. We are committed to increasing the number of teaching and research assistants in an effort to improve the campus's ability to recruit top-notch graduate students, reduce the use of part-time faculty, and give greater support to faculty in the areas of instruction and research. In FY07, the campus made available an additional $545,000 for upgraded stipends and 24 additional FTE assistantships. In FY08 the campus committed an additional $400,000 for 18 new FTE graduate assistantships and doctoral fellowships.

University of Massachusetts – Boston (continued)

Research awards neared $42 million in FY2007. For FY2008, our goal is to conduct $50 million of sponsored activity. In the years ahead we will surpass this goal as we strengthen incentives and support for grant development. We will aggressively pursue significant extramural support from federal agencies for both pure and applied interdisciplinary research programs. At the same time, we will not neglect projects that strengthen the urban mission and economic development foci of our university.

3. Create a Physical Environment that Supports Teaching, Learning, and Research

Master Plan

UMass Boston has begun a master planning process that focuses on the physical development and reconstruction of the campus over the next 20-25 years. This effort interfaces with the ***UMass Boston Renewal: Fidelity to Urban Mission*** strategic planning process, which will articulate the long-term academic and institutional goals of the University.

In conjunction with the Commonwealth's Division of Capital Asset Management and a planning/architectural firm hired to assist in this process, the Master Plan Committee will develop a Master Plan that will reflect in the physical environment of the campus the priorities and goals of the Strategic Plan. The Master Plan will provide a framework for campus development by identifying building sites, circulation patterns, and open spaces. Equally important, it will address issues associated with academic space utilization and allocation, student life, and the University's physical connection with the community.

Through an open and inclusive process with the campus community, Columbia Point neighbors, and external constituencies, we will endeavor to create a physical blueprint that supports and responds to the mission and priorities of UMass Boston and contributes to its growth and aspirations.

The Venture Development Center

President Wilson has said that the path to economic development in the Commonwealth goes through the University of Massachusetts. UMass Boston's focus on economic development will include the launch of a Venture Development Center (VDC) initiative (already underway) that will not only strengthen the university's research infrastructure, but also engage faculty and students in innovative partnerships with the business community in Greater Boston and New England. The VDC will leverage core research facilities and business development expertise to assist faculty in all disciplines who wish to turn a promising research concept into a practical business reality through a nurturing incubation process. We anticipate that the efforts of the VDC will result in value to the University, in terms of enhanced reputation and a return on investment through commercialization, entrepreneurship and licensing of intellectual property.

Data Network Upgrade

The University of Massachusetts Boston replaced its data network equipment in 2005 and is currently in the planning stages of a $4 million upgrade of the data network, including the communications cable plant that dates back to 1989. A reliable, responsive, robust, high-bandwidth network is necessary to enable the campus to conduct business effectively, and is a crucial component of the expanded use of IT to support the University's mission, including raising its research profile.

Fostering a Welcoming Environment

The campus will increasingly embrace a culture that is rooted in and centered upon treating the students, our campus colleagues, and other constituents as we ourselves would wish to be treated. An increased focus on customer service and satisfaction, along with personal initiative, responsibility and civility will enhance the work environment and recruitment and retention efforts. In addition, the campus is preparing to make significant ADA-

University of Massachusetts – Boston (continued)

related enhancements to basic campus infrastructure such as restrooms, elevators, doors and signage that will make the campus more accessible and navigable.

4. Enhance Campus-Community Engagement through Improved Organizational Structures

UMass Boston was deliberately and explicitly placed into relationship with external communities in its founding documents, which emphasized the University's urban mission and its responsibilities to the Commonwealth of Massachusetts. Since its birth, our campus has eagerly sought opportunities to interact with neighbors, cities and towns, organizations, and business concerns. No longer limited by the boundaries of the Commonwealth, UMass Boston has worked with communities elsewhere in the country and indeed, the world.

Our campus collaborates with partners – especially in urban communities – to create opportunities, solve problems and build on community strengths. UMass Boston has always understood that campus-community engagement benefits the University as much as it benefits the communities with which it interacts. The university shares its intellectual and physical resources with those communities and in turn is enriched by the diverse students who come from the communities, by the deep knowledge that community members share with us, and by opportunities to work together with communities on projects that could not be done well by the University acting alone.

As we plan for the future, we will seek ways of strengthening campus-community engagement. We will find ways to more effectively develop partnerships with external groups and institutions that advance the University's urban mission. We will also become more purposeful in selecting high-quality, high-impact, community-based projects. To help achieve those goals, we will consider creating a government and community relations unit with an office of community partnerships. We will also identify and promote signature campus - community engagement initiatives.

CAPITAL INVESTMENT AND DEBT SERVICE

Capital Repairs and Deferred Maintenance

Reinvestment in our capital infrastructure will continue to be a major focus as we strive to address deferred maintenance and improve the state of our facilities to ensure that we provide our students with a top quality learning environment. In the last two years, the campus has added over one million dollars to its budget for preventive maintenance. UMass Boston is also actively engaged with the University of Massachusetts Building Authority and the Commonwealth's Division of Capital Asset Maintenance to address deferred maintenance items identified by a report by the Gilbane Building Company on the state of the campus's physical infrastructure. The campus has devised a short- and intermediate-term repair and renewal strategy that prioritizes health, safety, and business continuity concerns while long-term solutions are addressed through the master planning process.

The campus will avail itself of approximately $45 million of previously issued bond proceeds in order to carry out repairs and renovation projects in the short-term, and will access its debt capacity appropriately for additional capital financing when needed. The campus expects to make $13 million of principal and interest payments in FY2008 on debt issued to support capital projects.

The University of Massachusetts Boston, recognizing that renovating existing 30+ year-old buildings into state-of-the-art classroom or research buildings may not be feasible, has begun the process of planning for new academic facilities.

University of Massachusetts Dartmouth

UMass Dartmouth is the fastest growing campus in the UMass system in terms of student population, residential student population, and research activity. This evolution, since the campus was established in 1960 through the merger of New Bedford and Fall River textile institutes, has paralleled that of the southeastern Massachusetts region. Despite severe fiscal challenges of prior years, the campus has made strategic investments of public and private dollars in critical areas to meet the needs and aspirations of the region. The campus has recently completed an update of its strategic plan so that it can continue this effort in the most effective and efficient manner.

Pursuing strategic goals

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

The University has grown from approximately 7,000 students in Fall 2000 to 9,000 students in Fall 2007. This growth has been critical to stabilizing our financial condition. We expect, due to increasing demand for our programs and our steady strategic effort to "right size" the institution, to grow to approximately 10,000 students over the next 3-5 years. Our graduate enrollment has grown from approximately 700 to 1,200 during the same period.

This past year we have added selected high student demand undergraduate programs (with majors in crime and justice and women's studies) and expanded key research-based programs that are regionally focused but have statewide and global impact (marine science, advanced materials, advanced manufacturing, math education, Portuguese studies, K-12 education and policy analysis). As evidence of the quality and impact of these programs, our faculty won major federal, state, and private grants related to these fields, including $5 million from the U.S. Department of Education to improve math teaching and improve the teaching corps in critical subject areas.

Recent major investments have focused on the continue re-building the faculty following budget cuts and early retirement programs of several years ago. We have completed the restoration of our faculty, with the result being nearly 50 percent of the current faculty being hired in the last five years. Last year we opened a new 22,000 square foot research facility that strengthens the University's regional "innovation triangle" and includes the main campus in Dartmouth, the Advanced Technology Manufacturing Center in Fall River, and the School for Marine Science and Technology in New Bedford. Also this year, the University made a major investment in improving student housing by restoring the 800-bed Cedar Dell Housing complex (400 beds were opened this fall with another 400 due for completion in Fall 2008.)

The next major targets for investment are the library, laboratories, and additional classrooms.

The campus also launched an 18-month, $6 million private fundraising effort to renovate the Claire T. Carney Library, and one year into the campaign had raised more than $5 million. The plan calls for a transformation of the library from a quiet repository of books into a technology-rich environment that encourages the exchange of ideas among students, faculty and community members. This is the first major fundraising campaign for the campus and is being leveraged to develop a true culture of philanthropy.

Also in recent years the University has renovated nearly every classroom and lecture hall on campus to enhance teaching and learning. More than 50 spaces have been upgraded with teaching technology. Besides the library, the campus's focus over the next few years will be on improving laboratories, including an expansion of SMAST in New Bedford and renovations of basic building infrastructure. With enrollment growth and continued high demand for an education at UMass Dartmouth, the campus is beginning to plan for added classroom space, likely beginning with an addition to the Charlton College of Business building to be funded in part through private donations. Growth activities are also focused on the seamless integration of technology into instruction and enhancements to public safety.

University of Massachusetts – Dartmouth (continued)

Progress and transformation

The campus remains well-positioned organizationally and financially to respond to the needs and aspiration of the region and the Commonwealth.

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

The Advanced Technology and Manufacturing Center in Fall River and the Star Store arts campus in New Bedford have added value to campus programs and positioned us well to provide innovative leadership support in both cultural and economic development. Several companies are being incubated at the ATMC next to UMass Dartmouth research laboratories. Over the last two years, three companies have left the incubator to expand in the region. The Star Store, meanwhile, has spurred the re-development of a dozen downtown New Bedford buildings.

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

- The Connect partnership is linking all of the public higher education institutions in the southeastern area in order to serve the region more effectively.

- The SouthCoast Development Partnership is a regional coalition of higher education and business leaders designed to think and act strategically to foster sustained growth.

- The SouthCoast Education Compact is a regional coalition of higher education, K-12, and business leaders focused on increasing educational attainment levels.

UMass Dartmouth continues to advance its mission through such collaboration and very much appreciates the support of the Commonwealth within the University of Massachusetts base appropriation and targeted special appropriations for the Star Store and ATMC facilities.

University of Massachusetts Lowell

The University of Massachusetts Lowell is entering a new and exciting phase. With the appointment of Chancellor Meehan, the campus has already identified key strategic initiatives to enhance the teaching and research mission, to provide new investments in plant and facilities and to position the campus for continued enrollment growth.

Strategic and Mission-Related Goals/Objectives

The Lowell campus has an extraordinary faculty, staff and students, who deserve the very best effort and support that we can bring to bear.

The campus began the year with a budget challenge – facing a deficit that required fiscal conservatism and the realignment of administrative offices to find efficiencies. Everyone has risen to that challenge with a renewed commitment to making every dollar count and being entrepreneurial to grow our resources.

The next few years are a time of building – physical infrastructure with new academic, research and technology buildings, and campus life with improved facilities and activities that engage both faculty and students.

UMass Lowell needs more resources to fulfill its commitment to academic excellence and to help shape the economic and social future of the region. The proposed Emerging Technologies and Innovation Center and increased federal grants – are keys to driving the economic engine of this region. The Emerging Technologies Innovation Center (ETIC) at UMass Lowell will focus on the development of manufacturing techniques in advanced technologies. Combining expertise in nanomanufacturing, bio-manufacturing, bioinformatics, toxic use reduction, and environmental and workplace safety into a single research center will place UMass Lowell at the forefront of manufacturing research and technology. The focus of the Center is to grow an already vibrant program of industry partnership, to develop manufacturing technologies that promote jobs in the Commonwealth, and to produce a highly educated workforce to attract new businesses to the state. The Commonwealth has provided significant funding to assist the campus in realizing this vision; however, substantial campus investment will be required to ensure that this building is a symbol of renewal for the campus.

The campus must grow its revenue base. The construction of new residence halls will bring more students on campus and is an important part of the strategy to broaden enrollment and to enhance the quality of student life on the Lowell campus. The campus also recognizes the need to invest funds in the physical infrastructure of existing residence halls. In the current highly competitive higher education market, the campus understands the importance of upgrading existing residential housing facilities even as new facilities are brought on-line. Placing new residence halls on East Campus and relocating the Art Department to Wannalancit tie campus life even more closely to the vibrant arts community in downtown Lowell and bring more economic stimulus to the city.

In FY07, the campus implemented parking fees. The revenue generated from the sale of parking decals, students and employees will provide for an additional parking garage, improved maintenance of existing lots, improved shuttle service and increased incentives for alternative transportation.

The energy and spirit on campus are palpable. UMass Lowell has revitalized the hockey program, added club seats, and season ticket sales are at an all-time high. High-visibility banners and sponsorship of Wired Science on WGBH are bringing visibility to our excellent programs. This fall, the Honors Fellows Scholarship night raised more than $117,000 in an evening of celebration.

UMass Lowell is a good steward of state funds and vigorous in raising external funds to realize the vision of a growing, successful campus. This is the time for an infusion of support and commitment that validates the campus's vision and inspires its community of scholars.

University of Massachusetts Medical School

The Medical School, under the new leadership of Interim Chancellor Michael Collins, M.D. and Dean and Executive Deputy Chancellor Terence Flotte, M.D., has begun a strategic planning process to establish a definitive plan for the next five years. The process was initiated by Dr. Collins and includes the Medical School's 'linked destiny' partner, UMass Memorial Health Care (UMMHC), through the participation of its C.E.O., John O'Brien, and members of the hospital system's senior leadership team. The planning process began with a retreat which included the chancellor, the dean, and the School's senior administrative and faculty leadership. Prominently, each of the academic department chairs was present and actively engaged in the discussion.

The UMass Academic Health Center Strategic Planning Process will be completed by May 15th 2008 and will be supported by plans received from six planning groups: Faculty and Leadership Development, Clinical Care, Education, Research, Public Service, and Acting as a Single Entity. The groups are comprised of senior staff and faculty from both the Medical School and UMass Memorial Health Care and will be led by co-chairs, one of whom will be a content expert and the other a department chair. One of the co-chairs for each group will also be a member of the UMass Academic Health Center Strategic Planning Task Force, comprised of 28 members. Dr Flotte and Walter Ettinger, M.D., President of UMass Memorial Medical Center are the co-chairs for this central committee. An overview of the organization for the entire planning effort is attached.

As the strategic planning process gets underway, Drs. Collins and Flotte are continuing to move forward on existing Medical School objectives and collaborating on University and Commonwealth initiatives in the life sciences. The team has presented a proposal to the Life Sciences Board for the development of an Embryonic Stem Cell Registry and an Embryonic Stem Cell Bank. These proposals are part of an overall plan for an investment of $250 million of combined state and university funds to build on recent accomplishments in the basic sciences at the Medical School, including the groundbreaking work of Nobel Laureate in Medicine Craig Mello, PhD. The plans are being developed in conjunction with the Governor's Life Sciences Initiative and the development of an Advanced Therapeutics Cluster and will be the focus of continued efforts in the coming months.

- Massachusetts Human Embryonic Stem Cell Registry at the University of Massachusetts Medical School - The University of Massachusetts Medical School proposes to establish the Massachusetts Human Embryonic Stem Cell (hESC) Registry, a comprehensive and extensively documented international hES cell database, as the first phase of a broader Massachusetts hESC initiative. This web-based registry would provide Massachusetts researchers and commercial entities, as well as the international biomedical research community, with access to critical information on the provenance of, and research findings on, hESC lines to facilitate greatly the development of hESC research.

- Massachusetts Human Embryonic Stem Cell Bank at the University of Massachusetts Medical School - The University of Massachusetts Medical School proposes to establish the Massachusetts Human Embryonic Stem Cell (hESC) Bank, an international repository of human embryonic stem cells that are derived in Massachusetts and beyond. The mission of the Massachusetts hESC Bank is to provide to researchers and commercial operations in the Commonwealth and the international biomedical research community with expertly derived and maintained hESC lines so that they may conduct essential investigations into the properties and potential therapeutic applications of those cells. By so doing, the Massachusetts hESC Bank will solidify the Commonwealth's position as the global leader in hESC research, which will attract and retain researchers and companies interested in this burgeoning field of scientific investigation and commercial application.

- University of Massachusetts Advanced Therapeutics Cluster (UMATC) at the University of Massachusetts Medical School - The confluence of a number of new initiatives, including the Massachusetts human embryonic stem cell (hESC) bank and registry, and the culmination of decades of scientific excellence, have created the opportunity for the University of Massachusetts and its Medical School to serve as a catalyst for the development of innovative therapeutics, the commercialization of those new agents and the training of

researchers and technicians in related fields. The mission of the UMATC is to conduct research that moves from the characterization of the human genome sequence to the development of novel therapeutics that is

University of Massachusetts – Medical School (continued)

targeted to specific, disease-causing genes. Three technologies with strong roots in the Commonwealth and at UMass promise the most direct path to novel therapeutics; stem cell science, RNA interference (RNAi) and gene transfer therapeutics. The UMATC seeks to develop each of these technologies to find new therapies for the many diseases that remain untreatable.

Ongoing Medical School strategic objectives are designed to enhance its ability to achieve its overall mission: to serve the people of the Commonwealth through programs of national distinction in health services education, research and public service. Success in its founding mission of primary care education is demonstrated by consistently ranking in the top 10 percent of medical schools in primary care as reported by US News and World Report (ranked 12$^{th\ of}$ 126 schools in the most recent survey) and more than 50% of graduating students enter primary care disciplines upon graduation. Success in the Medical School's research mission is gauged by the annual ranking of support by the National Institutes of Health. In the most recent report, the Medical School awards from NIH ranked UMMS 40th among all schools. The quality of the Medical School's research program and its success in achieving national and international distinction is further evidenced by the recognition of Dr. Mello's groundbreaking discovery of RNA interference with the 2006 Nobel Prize in Physiology or Medicine.

The three strategic objectives defined last year as paramount to the continued success of the Medical School: separation of the Chancellor / Dean position, planning and construction of the Advanced Center for Clinical Education and Sciences (ACCES), and the establishment of a new Clinical and Translational Science Department (CTSD), have progressed significantly.

- University of Massachusetts President Jack Wilson initiated a search for and successfully appointed an outstanding Dean and Executive Deputy Chancellor, Terence Flotte, M.D. and appointed Interim Chancellor Michael Collins, M.D. These two leaders have already established significant momentum towards planning for the future success of the Medical School.

- The NIH "Roadmap" Initiative seeks to strengthen the nation's clinical and translational research enterprise through integrated clinical and translational research programs funded by Clinical and Translational Science Awards (CTSA). Early planning at UMMS for the establishment of a new Clinical and Translational Science Department (CTSD) has been re-aligned by Dean Flotte and his senior faculty leaders and department chairs to a more effective model for interactions between clinical departments and central educational and research resources. The current plan will establish a Department of Quantitative Health Sciences that will contain central resources such as biostatistics, epidemiology and medical informatics and a Center for Clinical and Translational Sciences. The redesign will effectively allow faculty from diverse clinical areas and specialties to become involved in clinical research and training. The mission of the CCTS will be to provide a home for clinical investigation through education and training of physicians, nurses, and biomedical scientists; accelerate the movement of laboratory discoveries from bench to bedside to community practice; and foster a culture of collaboration among clinical investigators, healthcare professionals and basic research scientists. The Department of Quantitative Health Sciences will also provide the supporting resources for study design, analysis and development in clinical research and grant submissions. This effort will lead the campus in its ongoing research growth by increasing clinically relevant research programs and outcomes as defined by the NIH Roadmap.

- The ACCES building is on schedule to be enclosed by November 2007 with occupancy to take place late in calendar year 2009. The ACCES building will be crucial for the development of new clinical research space (dry lab) and educational programs related to simulation and standardized patients through the Center for Experiential Learning (CELS). The Standardized Patient Program, already a mainstay of the education process at the Medical School, has led the way over the past ten years in development of similar programs around the country, and the ACCES building will provide space to grow this program side-by-side with new state of the

art simulation programming. Equally important will be its role in providing new space to our clinical partner, UMMHC, for ambulatory practice, clinical teaching and faculty offices.

University of Massachusetts – Medical School (continued)

The pursuit of the Medical School's mission of national distinction has continued to produce strategic success in the area of public service. Several accomplishments that are of importance to the Medical School's ongoing goals and objectives reflect its leadership commitment to public service in a wide array of activities that support the state and nation with innovative services.

Evolving from a partnership between the department of Psychiatry and the Department of Mental Health to provide psychiatric services to vulnerable populations, the School's division of Commonwealth Medicine now has contracts with 16 other Massachusetts state agencies, providing a variety of high quality services for the Commonwealth and generating revenues that have been invested back in the core academic mission. This entity also provides rich opportunities for research and has been the initiating force in the development of two new academic programs: a PhD program in Clinical and Population Health and fast-track Master's Degree in Nursing program designed to encourage individuals from other professional fields to train for careers in academic nursing.

In sum, these goals and accomplishments create great opportunity for continued research growth through development of space resources for clinical and translational programs; educational advancement in specialized space for simulation and best practices; and strengthen the existing management structure while expanding public service activities and driving a re-engagement of the clinical faculty.