

April 6, 2016

Dear Members of the Tuition Retention Task Force,

As we prepare to file the report of the Tuition Retention Task Force, Chairman Woolridge and I want to thank you and your teams for the collaborative way in which we have been able to work through the many issues related to the implementation of this important and historic initiative. As I've said many times, and as the Task Force report illustrates, tuition retention is about making UMass more accountable and transparent to its students and their families. This fall UMass will join the overwhelming majority of other public universities that have been allowed to retain all of their tuition and as a result we will, for the first time, present student charges in a way that alleviates the confusion that exists between tuition and mandatory fees.

After reviewing the latest draft of the report and discussing it with Chairman Woolridge, it is clear to that there are some recommendations that are not directly related to the implementation of tuition retention and appear to be out of context when viewed with the other recommendations. The issues related to the implementation of tuition retention are complex and to include recommendations, such as those related to the process and content for future development of the University's budget, potentially muddle the issues and negate the good progress made to bring clarity to this topic. We also think much of what is suggested is being provided in various reports throughout the year.

As I'm sure you appreciate the University's Board and its five campuses operate in an environment of shared governance. Recommendations related to the University's budget development should be vetted through Board leadership and its Committee structure. At the same time we must be mindful of the delicate balance that defines the separation of powers that govern the Board's fiduciary responsibilities and that of the management team chosen to lead UMass if we are to avoid the type of ineffective leadership that has been a disservice to other universities. The adoption of best practices, adherence to national norms and the use of peer comparisons are the best way to ensure we are achieving the kind of outcomes we all desire. Consistent with my letter establishing this Task Force and my ongoing conversations with Chairman Woolridge, I will submit the following recommendations to the Chairman and Trustee Buonomo as the Chairman of the Administration and Finance Committee of the Board, so they can be reviewed by the Trustees and through our Board Governance.

The recommendations that will be provided to the Board for consideration include:

1. It is recommended that University leadership and the Administration work to better align the development of the University's budget and financial projections with the State's budget cycle. Specifically, the Task Force recommends that the Committee on Administration and Finance of the Board of Trustees present to the full Board a schedule for the development and adoption of a budget that includes the following information, much of which is already used and or presented by University leadership throughout the year:
 - a. Requests are based on campuses strategic plans and University's five-year forecast of revenues and expenditures at both the campus and system levels including information such as:

- i. Changes in programs, enrollment, and staffing for the most recent fiscal year and how they relate to the most recent five-year projections.
 - ii. Revenue assumptions relative to retained Tuition and fees (total student charges), state appropriation levels, investment returns, revenues from auxiliary activities, and capital support from state resources.
 - iii. Current and anticipated expenditures based on labor agreements and contracts, fringe costs and other contractual or legal obligations of the University, capital costs, assumed and projected inflation rates.
 - b. Include a comparison of the most recent fiscal year, for which data is complete, to the items listed above and its relation to the University's five year projections.
 - c. Include benchmarking information and trends, relative to peer institutions identified and approved by the Board as part of the campuses strategic planning process and the University's five-year forecast, such information might include:
 - i. Net Tuition and Fees (student charges)
 - ii. E&G costs per FTE
 - iii. Changes in tuition and fees (student charges) relative to trends in various measures of state, regional, and national indexes.
 - iv. Total state support and state support per FTE
 - v. Ratios of instructional versus administrative costs.
 - d. Include System and campus level performance metrics that inform and guide the development of the annual budget and the University's five-year forecast upon which it is based. The Administration and Finance Committee of the Board should continue to review the list of metrics that it currently monitors and consider other metrics that help demonstrate the proposed outcomes of the campuses strategic planning efforts, which may vary by campus, and supported by the budget.
2. In addition, the Task Force recommends that the reports detailed in Appendix I of the report be reviewed by the University administration in order to make recommendations to the Administration and General Court regarding the content of, and schedule for filing, required reports. The goal of such a streamlined set of reports should be to provide information and data that is relevant to the budget development and program approval needs of both the University and State policymakers and eliminate those that no longer serve a purpose. Some elements and characteristics of any such new reporting regime should include the items detailed in recommendation one above.

I look forward to our continued work on these important matters.

Sincerely,



Martin T. Meehan
President

Cc: Victor Woolridge, Chair, UMass Board of Trustees

James Buonomo, Chair of the Administration & Finance Committee of the Board of Trustees