



University of
Massachusetts
Amherst

Provost's Report to the Faculty Senate

October 15, 2009

Topics

- Budget challenges.
- Strategies for generating and sharing revenues.
 - Increasing out-of-state enrollment.
 - Enhanced C&PE and Summer Session offerings.
 - Increased extramural funding.
- Rethinking past practices that reduce revenues.
- Prospect of differential fees & protecting access.
- Faculty hiring in 2009-2010.
- Long term prospects and goals.

Budget challenges

- Campus is facing a \$38.2 M (12.4%) shortfall for FY 11.
- This translates to a \$25.6 M (12.4%) shortfall in Academic Affairs.
- Even with new revenue generation, a cut of this scale, taken all at once, would be damaging.
- And this is before expected 9C cuts this fall.

Spreading the cut over FY11 & FY12

- Chancellor's budget group is reviewing proposals to spread the budget cuts over two years:
 - Using one-time funds remaining from the ARRA funding to bridge.
 - Allowing more time to ramp up revenue generation initiatives.

Increasing out-of-state enrollments

- A full paying out-of-state student's tuition plus curriculum fee brings \$21 K to campus (assuming no displacement of in-state students).
- Even after putting aside a portion for financial aid, the difference is substantial.
- Vice Chancellor Hatch and I are working on a plan that would return 40-50% of the net increase in out-of-state tuition and fees, above the current baseline, to the Colleges and Schools that generate them.

Better C&PE and Summer incentives

- Current base C&PE fee is \$290/credit.
 - In-state or out-of-state.
 - Return to the Dept./program after costs, \$180/credit
- Proposing to bring CP&E fee base in line with academic year fees:
 - \$353/credit in-state; \$627/credit out-of-state
 - Return after costs, \$209, \$442, respectively.
- Tiered cost structure would reward volume:
 - Reductions after 10 K and 15 K credit hours.

Incorporating Summer into new programs

- Examples:
 - Five-year BA/MA or BS/MS programs that incorporate a summer to allow time compression.
 - Certificate programs with critical components offered in the summer, as an add-on to majors.
 - Professional master's programs that compress the time to degree by utilizing summers.
- Senate can help by fast tracking straightforward proposals, *e.g.*, combining existing BA & MA.

Increasing extramural funding

- Increased indirect cost recovery benefitting
 - The Campus.
 - The College or School.
 - The Department.
 - The Investigator.
- Enhanced research profile for UMass Amherst.
- VCRE reports \$36 M in ARRA grants.

Change: Effort on grants

- New focus on effort reporting for federal grants.
 - Serious penalties (\$M's) have been assessed.
 - UMass Amherst has been hit, but not (yet) at that scale.
- UMass Amherst policy (since July 1, 1998):
 - “It is the policy of the Amherst campus to assume a cost-sharing commitment only when required by the sponsor or by the competitive nature of the award, and then to cost share only to the extent necessary to meet the specific requirements.”

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Conjunction of Federal and Campus policies

- In order to meet effort reporting requirements, AY faculty effort on proposals will have to be budgeted in the proposal or approved as cost-sharing at the time of submission.
- If we follow campus policy, this should result in more reimbursed faculty research effort.
- Revenues from reimbursed research effort remain in the College or School of the faculty member whose effort is reimbursed.

Prospects for differential fees

- BOT Chair Rob Manning stated that the Board is willing to consider differential fees, in particular,
 - Campus-specific (Flagship) differential.
 - Commonwealth College fee.
- New fees would allow us to focus on the undergraduate experience, e.g., by making some of the new faculty hires that we have had to put on hold, building on successes like the first year seminars.

Maintaining Access to UMass Amherst

- For FY09, Campus added \$3.9 M to institutional need-based financial aid.
- In internal discussions about fee increases, models always include a generous portion held back for financial aid.
- Chancellor Holub and the senior administrative team are all committed to maintaining—or increasing—access, but we are going to have to develop a new model, not rely on the State.

Faculty hiring in 2009-2010

- RFP process:
 - Despite the fiscal pressures, we have decided to go forward with RFP process.
 - However, we have decided to commit \$1.5 M of the original \$3.2 M to the hiring of new faculty, reserving the rest to reduce the deficit.
 - Have appointed an RFP Review Committee:

RFP Review Committee

- Lori Clarke, Computer Science
- Rob Faulkner, Sociology
- Nancy Folbre, Economics
- Jane Fountain, Political Science
- Todd Fuller, Nat. Res. Conservation
- Lila Gierasch, Biochemistry & Molecular Biology
- Robert Hallock, Physics
- Jeff Holmes, Music & Dance
- Jane Kent-Braun, Kinesiology
- Arthur Kinney, English
- Mike Malone, VCRE (Chair)
- Mzamo Mangaliso, Management
- Dave McLaughlin, Elec. & Comp. Engineering
- Murugappan Muthukumar, Polymer Science & Engr.
- Anna Nagurney, Finance & Operations Management
- Chris Woodcock, Biology

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- Few replacement hires in 2009-2010.

Long term prospects and goals

- I came to UMass Amherst knowing that the fiscal problems would be challenging, but also knowing that UMass is a fine institution with a first class faculty, and I have every confidence that, in response to the fiscal pressures, we can position the campus to come out of this challenge even stronger.
- There is nothing that the Chancellor and I would like better than to lead UMass Amherst into the AAU.



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