

UMASS LOWELL

UNIVERSITY OPERATING BUDGET FISCAL YEAR 2019



LOWELL CAMPUS



FY19 Campus Budget Overview

The University of Massachusetts Lowell submits for review and approval its Fiscal Year 2019 Operating Budget totaling approximately \$470 million. The FY2019 Operating Budget presents a general plan for the year and outlines our priorities, resources and planned use of funds in FY 2019. The document considers the FY2017 actual financial statement results, the forecasted results for FY2018 and the projected outcome for FY2019 based on the campus budget planning and parameters established by the President's Office. Lowell's FY2019 Operating Budget has been developed within the context of our 2020 Strategic Plan and multi-year financial plan reviewed by the Board of Trustees in December 2017.

Key revenue and expense assumptions of the FY2019 budget include:

- State appropriation that reflects a one percent increase over FY2018 and no funds for FY2019 collective bargaining.
- Projected 5.1% increase in revenue from tuition and fees (net of financial aid) resulting from student charge increases for in-state and out-of-state undergraduate students and growth in undergraduate, graduate, out-of-state and continuing studies enrollment.
- 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 facilities and operations.
- Salary costs will increase 3.3% over last year and the cost of providing benefits is projected to increase 5.3% mostly due to the fringe rate increase.
- Other cost drivers include depreciation, operations and maintenance expenses and continued investments for student services, classroom technology and network improvements.

The overall result of the changes in budgeted revenues and expenses for FY2019 is a projected \$3.2 million surplus or a 0.7% 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 FY19 the campus will not fund \$15 million (or 4%) of Educational and General (E&G) costs and needs. These actions are in addition to the nearly \$7 million in personnel and non-personnel cuts implemented in FY17 and carried forward into FY18.

UMass Lowell 2020 Strategic Plan

UMass Lowell formally launched the public phase of *Our Legacy, Our Place: The Campaign for UMass Lowell* in 2016. 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 campaign is closing in on its initial goal, having raised nearly \$118 million to this point. Among the recent successes are a number of philanthropic milestones leading to 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, and the dedication of Dandeneau Hall. Once our campaign goal has been reached, we will increase the goal to \$150 million by 2020, with a focus on enhancing student scholarship support.

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. The Strategic Plan was updated in March 2017 and the Report Card in March of 2018. As previously noted our multi-year financial plan (MYFP) is reviewed annually to reflect the planning, goals and benchmarks contained in the updates. 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 57% between 2007 and 2017 and FTE enrollments are projected to grow 2.7% this Fall 2018. UMass Lowell is expanding undergraduate 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 (FY2018 to FY2023) was in September of 2017. Prior to that update, the campus made adjustments to some key planning assumptions 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. We also adjusted the annual growth targets out through FY2023.

These baseline assumption adjustments impacted the operating margins and ratios presented to the Board of Trustees in December 2017 and continue to be reflected in the FY2019 Operating Budget.

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. Utilization of course capacity has been increased significantly and 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 & Transfers

- 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 FTE target for Fall 2018 is 14,836 a 2.9% increase over FY18. 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 FTY undergraduate enrollment in FY18 was 1,997. Our goal for FY19 is 7.6% growth (2,150). 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.
- TargetX, 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 1,702 transfer students for this year (Fall and Spring). 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. We have established an effective partnership effort with Middlesex Community College to recruit, house and transfer students together.

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 more than \$17 million between FY2015 and FY2018 from \$43.7 million to \$60.8 million (per the University Financial Aid Report). The FY2019 operating budget includes an increase of \$3.0 million in financial aid (additional financial aid funding 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 TargetX 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
 - One-prime markets of masters programs to enhance regional market competitions
 - Direct recruiting strategies with international student markets

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 recruitment and support services. We are in the process of implementing TargetX Salesforce to increase our capacity to recruit, admit and retain students.

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 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, FY19 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.



- We have had incredible success with our Days of Giving in 2017 and 2018 and will continue to 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.

FY 2019 Budget Planning Assumptions

Revenues

State Support

The University of Massachusetts Lowell FY2019 operating budget utilizes the state appropriation allocation assumptions proposed by the President’s Office. The FY2019 state appropriation allocation assumption of \$120.4 million includes fringe benefits. Our budget also assumes that the campus will receive its full allocation of the FY2018 state appropriation and the one percent increase assumed for FY2019.

Enrollment and Student Charges

The Lowell campus anticipates an overall FTE student enrollment increase of 2.7% for Fall 2018 to 14,807 students on the way to our 2020 target of 15,000. As indicated, UMass Lowell is expanding undergraduate 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.

Students (FTEs)	Budget FY2019	Projection FY2018	Variance		Actual FY2017
			#	%	
Undergraduate: In State	9,192	8,898	294	3.3%	8,411
Undergraduate: Out of State	1,386	1,342	44	3.3%	1,326
Undergraduate: Total	10,578	10,240	338	3.3%	9,737
Graduate: In state	1,026	1,026	-	0.0%	1,008
Graduate: Out of State	768	768	-	0.0%	809
Graduate: Total	1,794	1,794	-	0.0%	1,817
Continuing Education	444	484	(40)	-8.3%	567
Online	2,020	1,906	114	6.0%	1,784
Total FTE Enrollment	14,836	14,424	412	2.9%	13,905



The university has proposed increasing mandatory tuition and fees by \$380 for all in-state undergraduate students and a 3% increase for out-of-state undergraduate students.

In-State Undergraduate Tuition & Mandatory Fees

	FY 18	FY 19	\$ Change	% Change
Lowell	\$14,800	\$15,180	\$380	2.6%

The enrollment growth and student charge increases will result in an estimated 5.1% increase in tuition and fee revenue (net of financial aid). Enrollment growth and efforts to expand the residential experience for students will generate a 1.7% increase in revenues from Residential Housing and Food Services. New revenues from the rate increases will support inflationary increases and capital improvements to residential and dining facilities. Financial aid continues to grow as a percent of tuition revenues to mitigate student charge increases. This ratio is expected to be 24% in FY19 up from 20% in FY16.

Grants & Contracts

Grant and contract revenue from all sources is projected to increase 3.2% in FY2019. In FY17 the university renegotiated the federal Facilities and Administration (overhead) rate up from 51% to 53% in FY17 and 55% in FY18. The F&A rate will further increase to 56.5% in FY19. F&A return is critical to offset costs incurred to support research and to seed and stimulate new research grants.

Expenditures

The campus has budgeted faculty in FY2019 with a targeted 18:1 student faculty ratio at the campus level. A multi-year faculty hiring plan is under development which will identify faculty resource needs at the College and Department levels and inform our resource allocation plan in the future. 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 FY2019 to only those personnel essential to the health and safety of the campus community or are critical to enhancing student success and revenue growth.



**FY19 University Operating Budget – Lowell Campus
July 13, 2018**

FY19 Employee FTE Report				FY19 Budget	FY18 (Q3 Snapshot)	FY17 (Q3 Snapshot)
FUNDING SOURCE					(1)	(1)
Restricted	Unrestricted		Totals	Totals	Totals	
110	1,910		2,029	1,961	1,866	
	Grants / Gifts / Endowments	General Operations	Independent Business / Auxiliary			
110	1,822	89	2,029	1,961	1,866	
FUNCTIONAL EMPLOYEE CATEGORIES						
Faculty	10	832	-	843	807	783
Staff	100	989	89	1,187	1,105	1,082
Executive / Administrative / Managerial	-	66	3	69	65	63
Professional Non Faculty	86	688	40	813	764	738
Secretarial / Clerical	0	54	7	61	55	56
Technical / Paraprofessional	14	64	4	82	81	85
Skilled Crafts	-	48	13	61	53	55
Service / Maintenance	-	69	22	91	87	85
Vacant / New				9	49	

(1) Snapshot for prior years is point in time data of filled positions and does not reflect budgeted vacancies.

Total campus operating expenditures are budgeted to increase 3.4%. The overall result of the changes in revenues and expenses is a projected positive 0.7% operating margin for FY2019. Achieving this bottom line will require the campus to continue to reallocate and reduce funding for personnel and non-personnel activities. In FY19 the campus will not fund \$15 million (or 4%) of Educational and General (E&G) costs and needs.

Capital Planning & Facility Improvements

During fiscal year 2019 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 effort is on improving space utilization, addressing deferred maintenance and making code and ADA-related improvements to 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 have been converted to student housing this past fall. 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. All projects were completed on time and on budget.



The renovations of Dandeneau and Perry will be complete in August 2018 and Jan 2019 respectively. The full renovation of Coburn Hall and the partial renovation of our Olsen Hall science building are moving forward despite the current hiatus in state capital funding. Coburn work will begin this summer. The University has submitted a request to the state for funding \$25 million to support the Coburn and Olsen projects, however, our multi-year financial plan does not assume that the campus will receive these funds. If the state does provide funding, the campus will be able to make greater progress on Olsen Hall and reduce the need of campus funds for Coburn enabling projects

Based on an in depth FY17 analysis conducted by Sightlines, the campus has a deferred maintenance project backlog of \$ 925 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.

Approximately 73 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.

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 FY2018-23 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 Dandeneau Hall, and the phased renovation of Olsen Hall.

Continued annual increases in operating budget allocations for 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 facilities projects 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.



Campus Efficiency and Effectiveness Update

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. Net Metering 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 proactively investing in conservation measures with campus funds as well as utility company financial incentives and grants. Concurrently we have limited the growth of our utility costs through peak demand management, strategic purchasing and utility bill management

Our \$26 million Accelerated Energy Project (AEP) in conjunction with DCAMM is about three quarters 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 is also addressing our infrastructure needs including boilers, air handlers, lighting and control systems. We've also



invested in a new electrical distribution system on south campus and new steam bunkers on North Campus.

Finally, the Lowell campus continues to partner 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 review initiative that will drive savings, efficiencies and improved customer service throughout the University

Campus Ratios FY2018 and FY2019

Operating Margin

The University’s original FY2018 Operating Budget approved by the Board of Trustees had a planned operating margin of 0.5% or \$2.7M. Currently, the campus is forecasting a slightly better operating margin of \$5.8M or a 1.0%. The campus is budgeting a \$3.2M or 0.7% operating margin for FY2019.

Debt Ratio

The campus projects our debt ratio to be 7.5% in FY19. Our multi-year plan continues to hold this ratio under the 8.0% policy threshold.

Key Ratios	Budget FY2019	Projection FY2018	Actual FY2017	Actual FY2016	Actual FY2015
Operating Margin (%)	0.7%	1.0%	2.2%	0.2%	0.8%
Operating Margin (\$)	3,167	4,607	9,424	696	2,928
Operating Cash Flow Margin (%)	13.8%	13.9%	14.6%	12.8%	13.3%
Operating Cash Flow Margin (\$)	63,592	62,378	62,350	51,839	50,613
Debt Service Burden (%)	7.5%	7.7%	7.3%	7.5%	7.6%
Annual Debt Service Coverage (x)	1.8	1.8	2.0	1.7	1.7
Debt Service (P+I)	35,146	35,004	31,155	31,295	29,330
Spendable Cash & Investments to Operating Expenses (x)	0.22	0.24	0.31	0.34	0.34
FTE Enrollment	14,836	14,424	13,905	13,621	13,369

Attachments

- Campus Revenue and Expenses
- Tuition & Fee Schedule



FY19 University Operating Budget – Lowell Campus
July 13, 2018

(\$ in Thousands)

Revenues	Budget FY2019	Projection FY2018	LOWELL		Actual FY2017	Actual FY2016	Actual FY2015
			Variance				
			\$	%			
Gross Tuition & Fees	269,821	256,665	13,156	5.1%	243,228	224,065	205,731
Tuition Discounts	(64,403)	(60,709)	(3,694)	6.1%	(54,517)	(45,417)	(40,768)
<i>Tuition Discount Rate</i>	23.9%	23.7%			22.4%	20.3%	19.8%
Net Tuition & Fees	205,418	195,956	9,462	4.8%	188,711	178,648	164,963
Grants	44,584	43,217	1,367	3.2%	42,190	41,346	44,186
Sales & Service, Educational	814	790	24	3.0%	767	89	66
Auxiliary Enterprises	66,774	65,846	928	1.4%	60,570	57,782	52,725
Other Operating	7,435	7,218	217	3.0%	7,008	7,984	8,205
State appropriations	120,354	118,770	1,584	1.3%	111,859	104,725	96,633
Other NonOperating	28,032	29,177	(1,145)	-3.9%	28,738	27,826	23,378
Total Revenues	473,410	460,974	12,436	2.7%	439,843	418,400	390,156

Expenses	Budget FY2019	Projection FY2018	LOWELL		Actual FY2017	Actual FY2016	Actual FY2015
			Variance				
			\$	%			
Salaries & Fringe	273,894	263,926	9,968	3.8%	249,312	239,536	219,200
Non-personnel	124,252	122,156	2,096	1.7%	116,761	114,923	111,693
Scholarships and fellowships	11,261	11,011	250	2.3%	9,316	9,134	9,383
Depreciation	39,236	36,682	2,554	7.0%	34,127	32,985	28,666
Interest	21,500	21,391	109	0.5%	18,790	21,272	18,371
Total Expenses	470,143	455,166	14,977	3.3%	428,306	417,850	387,313

UNIVERSITY OF MASSACHUSETTS, LOWELL

STUDENT TUITION & FEE SCHEDULES

FY 2019 TUITION & MANDATORY FEES

FY 2019 NON-MANDATORY FEES

FY2019 STUDENT FEES FOR REVENUE-BASED OPERATIONS

FY2019 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

FY 2019 TUITION & MANDATORY FEES
SUMMARY TABLE

	FY2017 Actual	FY2018 Actual	FY2019 Proposed	FY18-19 \$ change	FY18-19 % change
<u>UNDERGRADUATE</u>					
TUITION					
Undergraduate (in state)	\$13,932	\$14,350	\$14,710	\$360	2.5%
Undergraduate (out-of-state)	\$30,500	\$31,415	\$32,357	\$942	3.0%
Undergraduate (regional & proximity)	\$24,114	\$25,029	\$25,971	\$942	3.8%
MANDATORY FEES					
Campus Technology Fee (Undergraduate and Graduate)	\$250	\$250	\$250	\$0	0.0%
Student Activity Fee (Undergraduate& Graduate)**	\$125	\$200	\$220	\$20	10.0%
TOTAL MANDATORY FEES & TUITION					
Undergraduate (in state)	\$14,307	\$14,800	\$15,180	\$380	2.6%
Undergraduate (out-of-state)	\$30,875	\$31,865	\$32,827	\$962	3.0%
Undergraduate (regional & proximity)	\$24,489	\$25,479	\$26,441	\$962	3.8%
RESIDENTS ONLY					
Average Residence Hall Rent	\$7,975	\$8,254	\$8,400	\$146	1.8%
Average Board	\$4,098	\$4,242	\$4,348	\$106	2.5%
SUBTOTAL	\$12,073	\$12,495	\$12,748	\$253	2.0%
TOTAL TUITION AND ROOM & BOARD					
Undergraduate (in state)	\$26,380	\$27,295	\$27,928	\$633	2.3%
Undergraduate (out-of-state)	\$42,948	\$44,360	\$45,576	\$1,215	2.7%
Undergraduate (regional & proximity)	\$36,562	\$37,974	\$39,189	\$1,215	3.2%
<u>GRADUATE</u>					
TUITION					
Graduate (in state)*	\$14,304	\$14,590	\$14,590	\$0	0.0%
Graduate (out-of-state)*	\$25,853	\$26,370	\$26,370	\$0	0.0%
Graduate (regional & proximity)*	\$21,884	\$22,401	\$22,401	\$0	0.0%
MANDATORY FEES					
Campus Technology Fee (Undergraduate and Graduate)	\$250	\$250	\$250	\$0	0.0%
Student Activity Fee (Undergraduate& Graduate)**	\$125	\$200	\$220	\$20	10.0%
TOTAL MANDATORY FEES & TUITION					
Graduate (in state)	\$14,679	\$15,040	\$15,060	\$20	0.1%
Graduate (out-of-state)	\$26,228	\$26,820	\$26,840	\$20	0.1%
Graduate (regional & proximity)	\$22,259	\$22,851	\$22,871	\$20	0.1%
RESIDENTS ONLY					
Average Residence Hall Rent	\$7,975	\$8,254	\$8,400	\$146	1.8%
Average Board	\$4,098	\$4,242	\$4,348	\$106	2.5%
SUBTOTAL	\$12,073	\$12,495	\$12,748	\$253	2.0%
TOTAL TUITION AND ROOM & BOARD					
Graduate (in state)	\$26,752	\$27,536	\$27,808	\$273	1.0%
Graduate (out-of-state)	\$38,301	\$39,315	\$39,588	\$273	0.7%
Graduate (regional & proximity)	\$34,332	\$35,346	\$35,619	\$273	0.8%
* Graduate fee charges are on a 9 credit load basis.					
**\$20 increase to be directed toward Student Sustainability Initiatives					

FY 2019 NON-MANDATORY FEES

	FY2017 Actual	FY2018 Actual	FY2019 Proposed	\$ Change FY2018-19	% Change FY2018-19
<u>Administrative Fees</u>					
Mass PIRG (\$11/semester)*	\$0	\$22	\$22	\$0	N/A
Sustainability Fee (\$10/semester)	\$20	\$20	.		0.0%
<u>International Fees</u>					
International Student Fee	\$1,000	\$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	\$1,435	\$1,568	\$1,614	\$46	2.9%
<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	\$450	\$450	\$0	0.0%
Ed. D Online Summer Residency Fee	\$850	\$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	\$750	\$875	\$950	\$75	8.6%
Kennedy School of Sciences Fee	\$600	\$670	\$745	\$75	11.2%
Music Fee	\$670	\$670	\$670	\$0	0.0%
Art Fee	\$500	\$500	\$500	\$0	0.0%
Manning School of Business Fee	\$450	\$670	\$700	\$30	4.5%
College of Health Sciences Fee	\$600	\$670	\$700	\$30	4.5%

* 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.

FY2019 STUDENT FEES FOR REVENUE-BASED OPERATIONS

	FY2017 Actual	FY2018 Actual	FY2019 Proposed	\$ Change FY2018-19	% Change FY2018-19
AUXILIARY CHARGES					
Auxiliary Fees					
<u>Residence Halls Rooms:***</u>					
<u>Rate A</u>					
Concordia Double	\$7,975	\$8,254	\$8,400	\$146	1.8%
Fox Triple /Quad	\$7,975	\$8,254	\$8,400	\$146	1.8%
Leitch & Bourgeois Quad	\$7,975	\$8,254	\$8,400	\$146	1.8%
<u>Rate B</u>					
Fox Double	\$8,550	\$8,849	\$8,500	-\$349	-3.9%
<u>Rate C</u>					
Fox Enhanced Double	\$8,550	\$8,849	\$8,650	-\$199	-2.2%
Leitch & Bourgeois Double	\$8,550	\$8,849	\$8,650	-\$199	-2.2%
<u>Rate D</u>					
ICC Double (& Quad)	\$9,425	\$9,755	\$9,250	-\$505	-5.2%
<u>Rate E</u>					
Concordia Singles	\$9,425	\$9,755	\$9,950	\$195	2.0%
River Hawk Village Traditional		\$9,755	\$9,950	\$195	2.0%
Fox Special Single			\$9,950	\$0	NEW
Sheehy Suite	\$9,500	\$9,833	\$9,950	\$117	1.2%
<u>Rate F</u>					
Donahue Suites	\$9,500	\$9,833	\$10,350	\$517	5.3%
<u>Rate G</u>					
Riverview Suites East	\$10,500	\$10,868	\$10,868	\$0	0.0%
<u>Rate H</u>					
University Suites	\$10,650	\$11,023	\$10,950	-\$73	-0.7%
<u>Rate I</u>					
Merrimack Double	\$10,650	\$11,023	\$11,123	\$100	0.9%
Concordia Apt			\$11,123	\$0	NEW
Riverview Suites West	\$10,950	\$11,333	\$11,123	-\$210	-1.9%
<u>Rate J</u>					
River Hawk Village Standard		\$11,023	\$11,333	\$310	2.8%
1301 Middlesex	\$10,950	\$11,333	\$11,333	\$0	0.0%
Merrimack Single	\$10,950	\$11,333	\$11,333	\$0	0.0%
<u>Rate K</u>					
River Hawk Village Delux		\$11,333	\$11,600	\$267	2.4%
River Hawk Village Delux Townhouse		\$11,851	\$11,600	-\$251	-2.1%
Meal Plan Options:					
Platinum Unlimited + 350 points and 8 guest meals	\$4,668	\$4,832	\$4,953	\$121	2.5%
Gold Unlimited + 200 points and 8 guest meals	\$4,502	\$4,660	\$4,777	\$117	2.5%
Silver 125 Block Meals and \$450 points and 5 guest meals	\$4,098	\$4,242	\$4,348	\$106	2.5%

FY2019 STUDENT FEES FOR REVENUE-BASED OPERATIONS

	FY2017 Actual	FY2018 Actual	FY2019 Proposed	\$ Change FY2018-19	% Change FY2018-19
Program Fees (Continuing Education)					
Continuing Studies/Corporate Education Tuition/Fees: *					
Undergrad Tuition per Credit Hour face to face**	\$340	\$340	Up to \$360	TBD	TBD
Graduate Tuition per Credit Hour face to face	\$575	\$575	Up to \$630	TBD	TBD
Undergrad Tuition (High Tech/Corporate)	\$450	\$450	Up to \$450	TBD	TBD
Undergrad Tuition (Online) per credit hour	\$375	\$380	Up to \$400	TBD	TBD
MSB Undergraduate Online Courses and Audit	\$375	\$385	Up to \$425	TBD	TBD
Graduate Tuition (Online) per credit hour	\$575	\$575	Up to \$630	TBD	TBD
Graduate Tuition (MBA) per credit hour	\$640	\$655	Up to \$835	TBD	TBD
Graduate Tuition (Education) per credit hour	\$470	\$470	Up to \$500	TBD	TBD
MSIT and Masters in Engineering Management	\$575	\$590	Up to \$625	TBD	TBD
Application Fee	\$60	\$60	UP to \$75	TBD	TBD
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%
Parking Fees:					
a Faculty/Staff (per contracts)	\$350	\$350	\$350	\$0	0.0%
b Adjunct Faculty	\$80	\$80	\$80	\$0	0.0%
c Part-time Staff	\$175	\$175	\$175	\$0	0.0%
d Reserved/ Designated Parking	\$1,200	\$1,300	\$1,300	\$0	0.0%
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-TBD; Cumnock Designated, \$1,300-TBD; 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; snow emergency parking violation, \$25; parking without decal, \$50; Expired Meter \$25; Handicapped parking violations, \$100.

FY2019 ADMINISTRATIVE CHARGES INCLUDING SALES & SERVICES

	FY2017 Actual	FY2018 Actual	FY2019 Proposed	\$ Change FY2018-19	% Change FY2018-19
SALES & SERVICE AND ADMINISTRATIVE CHARGES					
Administrative Fees					
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%
Other Fees (Not Student Related)					
Trust Fund Overhead Charge	up to 20%	up to 20%	up to 20%	\$0	0.0%
Athletics:					
Basketball:					
Kid ticket	\$3	\$3	\$3	\$0	0.0%
Adult Ticket	\$5	\$5	\$5	\$0	0.0%
Ice Hockey:					
Kids Ticket	\$10	\$10	\$11	\$1	10.0%
Student Ticket - non-UMass Lowell	\$10	\$10	\$14	\$4	40.0%
Adult Ticket	\$15	\$15	\$17	\$2	13.3%
Senior Tickets	\$10	\$10	\$14	\$4	40.0%
Group Tickets (20 people or more)	\$5 & \$7	\$5 & \$7	\$7 & \$10	\$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-\$500	\$35-\$500	\$0	0.0%
Membership Card Replacement	\$20	\$20	\$20	\$0	0.0%
Special Programs and Classes	\$10-\$2500	\$5-\$2500	\$5-\$2500	\$0	0.0%