ECONOMIC IMPACT SECTION

HIGHLIGHTS:

- UMass Dartmouth has saved over $600,000 during the past year due to energy conservation efforts, including a reduction of over 4,600 tons of CO_2 emissions
- The university's Advanced Technology and Manufacturing Center (ATMC) has catalyzed $50 million in value to surrounding communities
- A 300 sq. mile clean energy zone has been developed in coordination with national oceanic organizations
- Improvement in food services have led to a 34% increase in overall sustainability efforts, including a 47% increase in the use of locally-grown food
- A 660kW wind turbine has been installed, saving $125,000 annually
- 44% of R&D expenditures have been invested in Environmental Sciences

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ECONOMIC INDICATORS

The Economic dimension of sustainability at UMass Dartmouth concerns the University's impact on the economic conditions of all University stakeholders, as well as the University's impact on economic systems in the South Coast region of Massachusetts, at the national and global levels.

In accordance with GRI G3.1 standards, the economic indicators reported in this section illustrate the flow of capital among different stakeholders, as well as the main economic impact of UMass Dartmouth throughout society. This section reflects financial performance, as well as the contribution of the University to the sustainability of the economic systems outside the University's immediate scope.

DISCLOSURE ON MANAGEMENT APPROACH
GOALS AND PERFORMANCE
ORGANIZATIONAL RESPONSIBILITY
TRAINING AND AWARENESS
MONITORING AND FOLLOW UP

The Management Approach taken at UMass Dartmouth follows policies established by the Chancellor's Office and the University of Massachusetts Board of Trustees. Goals and Performance, Organizational Responsibility, Training and Awareness, and Monitoring and Follow-up are also established by top-level administrators at the university and systems levels in cooperation with departments and units. More information on the approach can be found online at: http://www.umassd.edu/chancellor or http://www.massachusetts.edu/bot/.

POLICY

The UMass Dartmouth policies defining the university's overall commitment relating to the economic aspects of performance, market presence, and indirect economic impacts is reflected in the UMass system's Board of Trustees Fiscal and General Administrative policies. This information can be found online at: http://www.massachusetts.edu/policy/fiscalgeneraladmin.html.

ASPECT: ECONOMIC PERFORMANCE

EC1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, INCLUDING REVENUES, OPERATING COSTS, EMPLOYEE COMPENSATION, DONATIONS AND OTHER COMMUNITY INVESTMENTS, RETAINED EARNINGS, AND PAYMENTS TO CAPITAL PROVIDERS AND GOVERNMENTS

Being an academic institution, the University of Massachusetts Dartmouth uses a set of customized indicators to measure its financial health. These indicators are also applied to the entire UMass system for homogeneity purposes.

- *Endowment Assets and Annual Growth in Endowment*: Market value of true and quasi-endowment assets. Comparative Data are from IPEDS, financial statements, and the NACUBO survey.
- *Endowment per Annualized Student FTE*: True and quasi-endowment per annualized FTE student.
- *Private Funds Raised Annually*: Includes restricted and unrestricted revenues from individuals, foundations, corporations, and other organizations. This includes private grant revenues, but not private contract revenues. The total for each year includes pledges made in that year as well as the value of in-kind contributions.
- *Return on Net Assets*: Increase/decrease in net assets divided by total net assets at beginning of the year.
- *Financial Cushion*: Unrestricted net assets as a percentage of operating expenditures and interest expense.
- *Debt Service to Operations*: Debt service payments as a percentage of operating expenditures and interest expense.
- *Deferred Maintenance per GSF*: includes deferred and other maintenance dollars needed to maintain the current function of the campus, calculated by the "Sightlines" Return on Physical Assets methodology (ROPA sm.) and shown per square foot of space.

University of Massachusetts Dartmouth's Financial Health (FY 2011):

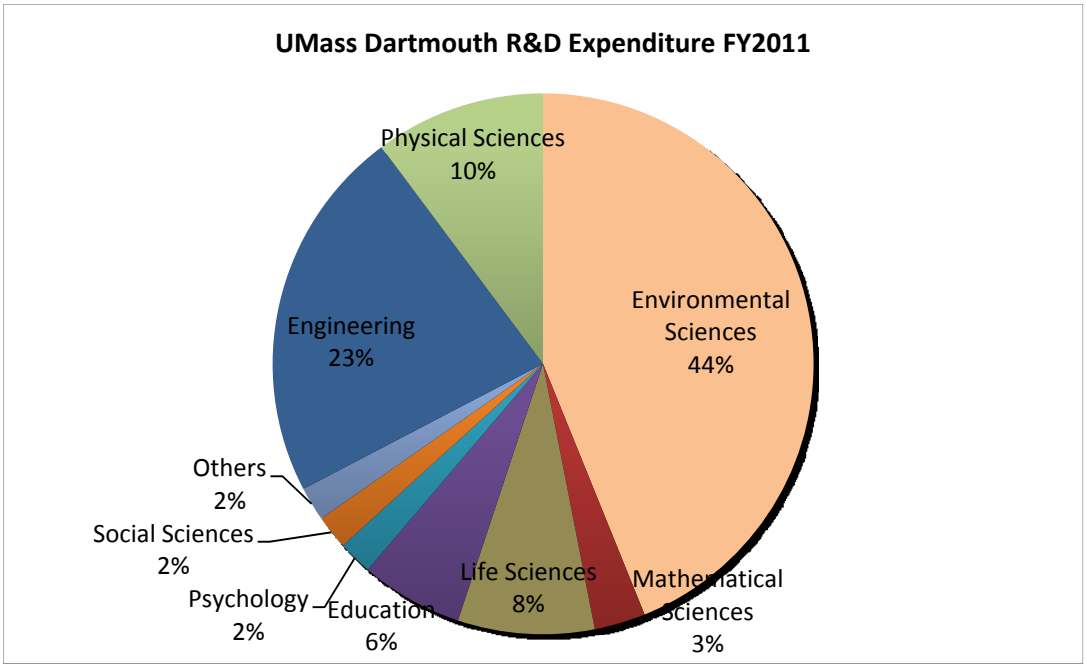
- Total Endowment $49.5M
- Annual Growth in Endowment 20%
- Endowment per Annualized Student FTE $4,185
- Private Funds Raised Annually $15.2M
- Return on Net Assets 17.1%
- Financial Cushion 27.4%
- Debt Service to Operations 4.2%
- Deferred Maintenance per GSF $169

EC2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE

The University of Massachusetts Dartmouth is deeply concerned about the unprecedented scale and speed of climate change and its potential for adverse health, social, economic, and ecological effects. The university has been a role model among public education institutions by continually striving, and has achieved, to minimize its carbon footprint. According to its Climate Action Plan, the following emissions reduction strategies have been carried out and continue to show significant results:

- Achieving a 12% rate in energy conservation, which amounted to $523,800 in savings and 2,889 tons in CO_2 reduction.
- Installing a 660 kW wind turbine on campus to reduce 467 tons of CO_2 emissions.
- Carpooling program with 20% participation rate reduced 1,253 tons of CO_2 emissions.
- Reducing printing by 50% saved the university $102,126 while, at the same time, reducing 83 tons of CO_2 emission.
- An ambitious plan to achieve the benchmarks of 15% Renewable Energy by 2012 and 30% Renewable Energy by 2020 could reduce the CO_2 emission rate by 1,788 tons and 3,577 tons, respectively

During the Fiscal Year 2011, the university proved its strong commitment to fighting climate change by allocating 43% of its $25.6M in R&D expenditure toward research in Environmental Science (see graph below). The university also believes the best way for our society to fight climate change is through education. Sustainability Studies is currently offered as a minor in the undergraduate program and Sustainable Development is offered as a graduate certificate. However, University of Massachusetts Dartmouth has developed a framework to offer more advanced degrees in Sustainability Studies in the near future. Such degrees include, but are not limited to: full undergraduate major, Master of Science and PhD.



EC3 COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

UMass Dartmouth currently offers two benefit plans for its full-time faculty and staff:

State Employees Retirement System (SERS)

Employees contribute nine (9%) percent of gross earnings plus an additional two (2%) percent for wages over $30,000 under both plans. Under the SERS Plan this allows for a pension upon retirement at age fifty-five (55) with the equivalent of ten (10) years' service, or at any age with the equivalent of twenty (20) years full-time service. If an employee leaves said state service before retirement age, he/she will receive a refund after filing proper forms.

Faculty members, under the SERS plan, who have taught in another state, may be able to receive up to ten (10) years credit providing payment is made for those years to the Retirement Board. Retirement deductions are made on a pre-tax basis. SERS is a defined benefits plan. The State Employees Retirement System is a compulsory program for all employees except for full-time teaching faculty, Chancellors and Presidents of public institutions who are not vested under the SERS plan.

Optional Retirement Plan (ORP)

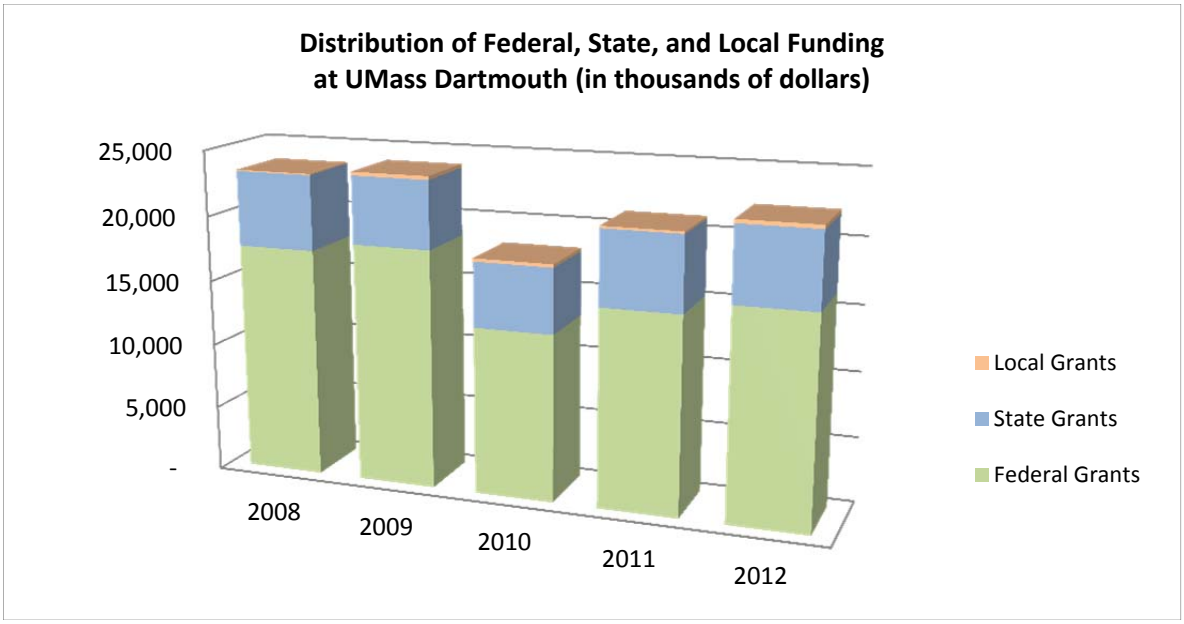
The alternative to the SERS plan, available to new full-time teaching faculty, is the Optional Retirement Plan (ORP). The employee and the Commonwealth of Massachusetts make a monthly contribution (see above). A long-term disability (LTD) plan and life insurance is provided as part of the Commonwealth's contribution to all ORP participants. The ORP is a defined contribution plan.

Currently there are four (4) authorized providers for the ORP; (1) Fidelity, (2) Lincoln National Life Insurance Company, (3) Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) and (4) The Variable Annuity Life Insurance Company (VALIC).

EC4 SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

UMass Dartmouth, being a public education institution, receives significant government assistance. According to its Operating Budget Fiscal Year 2011, after a big drop in 2010, total government funding increased by $3M in 2011 and is expected to increase in 2012. The distribution of funding sources between federal, state and local levels remains unchanged, with federal grants being the most significant source. The university also utilizes other types of funding to meet its operating financial needs. These types include: tuition net scholarship, private funding, endowments, university borrowing, etc.

	Actual Budget (in thousands of dollars)				Projected Budget
	2008	2009	2010	2011	2012
Federal Grants	17,586	18,324	12,806	15,137	16,115
State Grants	5,735	5,174	4,943	5,711	5,711
Local Grants	97	287	250	176	300
Total Grants	**23,418**	**23,785**	**17,999**	**21,024**	**22,126**



ASPECT: MARKET PRESENCE

EC6 POLICY, PRACTICES, AND PROPORTION OF SPENDING ON LOCALLY-BASED SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION

The Dining Services at UMass Dartmouth has been an active and important participant of the university-wide Sustainability Commitment. Dining Services' programs encourage students to make informed choices on both the food we consume, and the ways we interact with our environment. The university's focus on buying and consuming local food consequently has positive economic impacts on its local suppliers.

Eat Local Campaign: This campaign supports the viability of the mid-sized American family farmer and local communities by promoting local produce and creating awareness of its many benefits.

Purchasing Initiatives: This initiative encourages responsible and sustainable practices in our supply chains. Our purchasing initiatives provide food choices, which celebrate flavor, affirm cultural traditions, and support local communities, and include local purchasing, fair trade coffee and sustainable seafood programs.

In the Community: Support and encourage charitable initiatives and community reinvestment with our local associates and partners.

As a result, Dining Services' satisfaction scores from the students have showed improvements in key sustainability indexes as well as food quality:

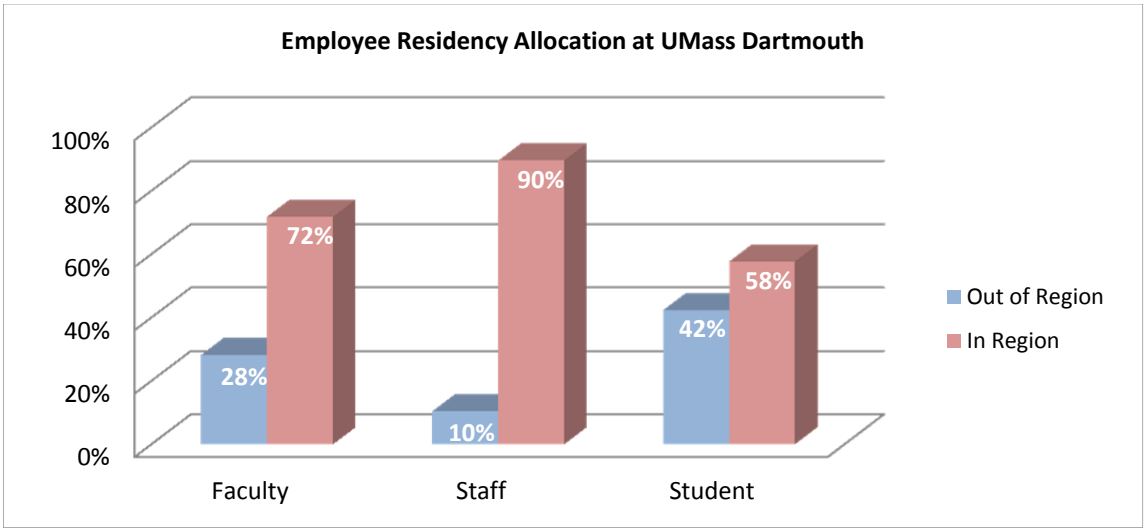
Measurement	% Improvement
Availability of Healthy Options	35%
Food Quality and Variety	35%
Sustainability Efforts	34%
Use of Locally Grown Products	47%

EC7 PROCEDURES FOR LOCAL HIRING AND PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT LOCATIONS OF SIGNIFICANT OPERATION

UMass Dartmouth endeavors to have the best-qualified applicants for all positions of its faculties, staffs and student workers. The university also recognizes the importance of a community that is diverse in terms of race, sex, ethnicity, religion and geographic origin. The significantly higher percentage of in-region employees compared to out-of-region employees, however, should be interpreted as a successful effort by the university in promoting local economic development.

Residency Classification:

Out of Region - Other Massachusetts County, Out of State
In Region - Barnstable County, Bristol County, Dukes County, Nantucket County, Norfolk County, Plymouth County



ASPECT: INDIRECT ECONOMIC IMPACTS

EC8 DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES PROVIDED PRIMARILY FOR PUBLIC BENEFIT THROUGH COMMERCIAL, IN-KIND, OR PRO BONO ENGAGEMENT

The Advanced Technology and Manufacturing Center (ATMC) of the University of Massachusetts Dartmouth provides advanced technology and manufacturing solutions, through industry and university partnerships, to meet current and future business needs.

The main objective of the ATMC is to leverage university resources for regional economic development. In other words, ATMC creates knowledge-based jobs not only for UMass Dartmouth graduates but for the people in the South Coast region.
The results over the past three years have been significant:

- 8 successful companies have graduated from the program.
- 30 student interns have secured full-time positions with these companies.
- $50 million in positive economic impact has been generated for the South Coast region.

KEY SUCCESSES AND SHORTCOMINGS: CLEAN ENERGY ZONE

UMass Dartmouth, along with federal and state officials, has developed a 300 square mile renewable energy technology zone known as National Ocean Renewable Energy Innovation Zone (NOREIZ), the site will provide a variety of platforms for companies to test and develop marine-related technology designed to capture energy from ocean wind, waves, tides, and current(s). State and UMass Dartmouth officials completed a memorandum of understanding to join forces on an application for federal approval to develop NOREIZ. The only other test bed of this kind is located in Scotland. The UMass President's office contributed $160,000 in start up funds for the project. The goal of the initiative is to attract marine renewable energy companies to Massachusetts to use the test bed to prove the marketability of their technology, and then grow their manufacturing businesses along the South Coast, which has a talented and innovative marine-related workforce.

MAJOR ORGANIZATIONAL RISKS AND OPPORTUNITIES: UMASS DARTMOUTH LAW SCHOOL

The University of Massachusetts Dartmouth School of Law is committed to: Offering a well-balanced program that incorporates foundational doctrine, core skills and values, and experiential learning; providing access to legal education for students who might not otherwise have the opportunity to pursue the study of law; fostering a collegial community that supports the success of our students and promotes civic engagement, public service, and exemplary ethical and professional standards; and graduating lawyers who are prepared to pass the bar and practice law, and are motivated to make significant contributions to and within their communities and the legal profession in Massachusetts and elsewhere.

KEY STRATEGIES TO PROMOTE SUSTAINABILITY: ATMC

The University's Advanced Technology & Manufacturing Center (ATMC) is uniquely positioned to address the risks and opportunities presented by climate change by providing a facility where education, business, and technology merge. The significant success of ATMC over the past three years – 8 successful companies, 30 jobs for student interns and $50M economic benefit for the region – is proof that UMass Dartmouth has found the right strategy to address climate change in its own way.