



UNIVERSITY SYSTEM
of MARYLAND

Board of Regents
Committee on Finance

June 12, 2019
Universities at Shady Grove
AGENDA FOR PUBLIC SESSION

REVISED

Call to Order

Chairman Attman

1. Convening Closed Session (action)*
2. FY 2020 System Funded Construction Program Request (action)
3. University System of Maryland: 41st Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds (action)
4. University System of Maryland: FY 2020 Operating Budget (action)
5. Biennial Nonexempt Market Salary Survey Report - Nonexempt Salary Structure Adjustment for FY 2020-2021 (action)
6. Proposed Amendments to Faculty and Staff Parental Leave Policies (action)
7. Proposed Amendments to Faculty and Staff Sick Leave Policies and Contingent Employees Policy, and a new Policy on Sick and Safe Leave for Contingent Category I and Certain Other Employees (action)
8. Board Statement of Values and Expectations on Collaboration and Cooperative Efforts in Acquiring and Implementing New Information Technology and Upgrading Business Processes (action)
9. Proposed FY 2020 Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation (action)
10. University of Maryland, Baltimore: Tuition Schedule for New MS Program (action)
11. Towson University: Proposal for Undergraduate Differential Pricing (action)
12. Salisbury University: Bridge Loan to Ward Foundation (action)
13. University of Maryland, College Park: Creation of Business Entity to Lease, Improve and Operate Existing Space to Support Biotechnology Research and Workforce Development (action)
14. University of Maryland, Baltimore: Purchase of Steam Services (action)
15. 2019 USM Dashboard Indicators (information)
16. USM Capital Projects: Periodic Status Report (information)

**Please note: the first item action occurs at 10:30 a.m., prior to the start of the closed session.*



REVISED

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Convening Closed Session

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: The Open Meetings Act permits public bodies to close their meetings to the public in special circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Board of Regents Finance Committee will now vote to reconvene in closed session. As required by law, the vote on the closing of the session will be recorded. A written statement of the reason(s) for closing the meeting, including a citation of the authority under §3-305 and a listing of the topics to be discussed, is available for public review.

It is possible that an issue could arise during a closed session that the Committee determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Committee would reconvene in open session to discuss the open session topic or to vote to reconvene in closed session to discuss the additional closed session topic.

ALTERNATIVE(S): No alternative is suggested.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR'S RECOMMENDATION: The Chancellor recommends that the Board of Regents Committee on Finance vote to reconvene in closed session.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



UNIVERSITY SYSTEM
of MARYLAND

STATEMENT REGARDING CLOSING A MEETING
OF THE COMMITTEE ON FINANCE
OF THE USM BOARD OF REGENTS

Date: June 12, 2019
Time: 10:30 a.m.
Location: Universities at Shady Grove

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
- (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - (ii) Any other personnel matter that affects one or more specific individuals.
- (2) To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) To consider the investment of public funds.
- (6) To consider the marketing of public securities.
- (7) To consult with counsel to obtain legal advice on a legal matter.
- (8) To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.
- (11) To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (15) To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:
- (i) security assessments or deployments relating to information resources technology;
 - (ii) network security information, including information that is:
 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
 2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
 3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
 - (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

Real property acquisitions in Towson and the City of College Park; the awarding of new contracts for food services; and the proposed FY 2021 Capital Budget submission and potential adjustments to the submission.

REASON FOR CLOSING:

To maintain confidentiality of discussions of potential property acquisitions prior to BOR approval (§3-305(b)(3)); to maintain confidentiality of discussions of bid proposals prior to BOR approval and the awarding of new contracts (§3-305(b)(14)); and to maintain the confidentiality (pursuant to executive privilege) of proposed capital budget prior to Governor's submission to legislature (§3-305(b)(13)).

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**BOARD OF REGENTS**SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: FY 2020 System Funded Construction Program Request

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: This is a request for approval of the FY 2020 System Funded Construction Program in the amount of \$129,643,000 that is the first year of the proposed FY 2020-2024 System Funded Construction Program of \$545,252,000, as indicated in the attachment. The USM Auxiliary Bond portion of the total is \$88,131,000 for FY 2020 and a five year total of \$424,750,000. Currently there are no requests recommended for private financing this cycle, though that decision will be revisited if circumstances change.

The proposed SFCP continues a primary strategic objective of the Board targeted at supporting health and safety improvements in campus student housing. For example, among the work proposed in the plan are renovation projects in residence halls currently in use at four different campuses: Frostburg, Towson, UMBC, and University of Maryland, College Park. These projects, with funding that has been previously approved and new funds contained in the proposed budget, will invest \$255 million in improving the components to enhance the health and safety students living on campus—including major improvements to heating, ventilation and air conditioning systems, preventing exterior water infiltration, replacing plumbing and electrical systems, and adding security and alarm systems.

The request includes projects proposed for planning, construction and/or equipment funding in FY 2020. As noted above, most are recommended for funding through external borrowing in whole or in part. Approval is being requested concurrently and/or at a later date for borrowing authority for those specific projects. There may be changes at that time as a result of timing, cost, fee change implications, or other considerations. Each project is a part of an institutional program that will produce the revenue required for repaying the debt.

Some recommendations in the SFCP may be conditional upon satisfactory completion of other projects or activities. These are noted in the attachment or will be part of concurrent discussion with the Board.

ALTERNATIVE(S): Each project can be reviewed separately and accepted, modified, or rejected. The institutional requirement and financial viability for each project were evaluated separately.

FISCAL IMPACT: The impact of the program focuses on the effect of each project on the institution's operating budget and varies with the plan for setting the charges required to repay the debt.

CHANCELLOR'S RECOMMENDATION: That the Committee on Finance recommend that the Board of Regents approve the FY 2020 System Funded Construction Program request with the conditions listed herein (and within the attached materials) and authorize the Chancellor to make appropriate changes consistent with existing Board policies and guidelines. Any such changes will be reported to the Committee on Finance.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

SFCP: POST-WORKSHOP VERSION

BOARD OF REGENTS FY2020-2024 SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) -- '\$000'S

Revised 5/22/19

Changes since workshop highlighted in yellow

INSTN	PROJECTS	FUNDING CALENDAR						Total Project Cost '000s
		Prior	FY2020	FY2021	FY2022	FY2023	FY2024	
USM Auxiliary Bonds								
UMCP	Two New Residence Halls (900 Beds) (See Cash Below)	66,500 PCE	26,500 PCE	4,000 CE				97,000
UMCP	North Campus Dining Hall Replacement (See Cash Below)	4,000 PC	12,000 CE	1,000 CE				17,000
UMCP	High Rise Residence Halls Renovation: Phased	85,080 PCE	1,500 PC	7,750 PC	50,440 PCE	40,175 PCE	52,685 PCE	454,235
UMCP	South Campus Recreation Center			9,000 PC	16,000 C			25,000
TU	Union Addition/Renovation	70,670 PC	13,000 CE	25,100 CE	Towson requested increase (see cash below)			108,770
TU	Glen Towers Addition and Renovation		4,201 P	24,513 CE	16,000 CE	9,046 CE		53,760
UMES	Nuttle Hall Residence Renovation (deferred two years, pending study)				800 P	9,200 C	800 E	10,800
FSU	New Residence Hall (431 beds) (See Cash Below)	22,920 C	13,330 C					36,250
FSU	Five Dorm Renovation	5,700 PC	7,700 C		1,000 C			14,400
UMBC	Retriever Activities Center Renewal (See Cash Below)		9,900 CE	13,100 CE				23,000
UMB	New Garage					20,000 PC	10,000 PCE	30,000
UMCP	New Dining Hall (in support of 1,500 bed/PPP dorm)						10,600 PC	30,000
UMBC	New Health and Counseling Building (See Cash Below)					6,800 C	8,610 C	15,410
Subtotal: USM Bonds/Direct Debt RECOMMENDED			88,131	84,463	84,240	85,221	82,695	
FIVE YEAR SUBTOTAL BONDS (USM DEBT)							424,750	
Cash or Institutional Funding								
UMCP	Two New Residence Halls (900 Beds) (See Bonds Above)			3,900 CE				3,900
UMCP	North Campus Dining Hall Replacement (See Bonds Above)	4,800 PCE	17,650 PCE	9,400 CE				31,850
FSU	New Residence Hall (431 beds) (See Bonds Above)	3,698 P	2,947 CE					6,645
UMCP	Campus Farm Upgrades (formerly Animal Sciences Pavilion)				3,700 PC	3,600 PC	8,600 PC	15,900
UMBC	Retriever Activities Center Renewal (See Bonds Above)	2,200 P	3,000 C					5,200
UMBC	Hillside and Terrace Systems Upgrades	5,500 PC	4,800 C					10,300
UMBC	The Commons Renovation			860 PC	4,840 C			5,700
UMBC	Stadium and Athletic Facility Improvements	5,500 PC	1,500 PC					7,000
UMBC	New Health and Counseling Building (See Bonds Above)				955 P		635 E	1,590
UMB	MSTF Emergency Generator and Distribution System	1,885 PC	5,115 CE					7,000
SU	Student Recreation Center		2,500 P	2,500 P	20,000 C	20,000 CE		45,000
TU	Union Addition/Renovation		4,000 CE					4,000
Subtotal: USM Cash/Institutional Funds RECOMMENDED			41,512	16,660	29,495	23,600	9,235	
FIVE YEAR SUBTOTAL CASH							120,502	
TOTAL SFCP PROGRAM (BONDS, CASH)			129,643	101,123	113,735	108,821	91,930	
FIVE YEAR TOTAL BONDS, CASH							545,252	

KEY: A = Acquisition; P = Planning; C = Construction; CS = Construction Supplemental; E = Equipment

END OF SFCP RECOMMENDATIONS



TOPIC: University System of Maryland: Forty-First Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: The Board of Regents has previously adopted forty bond resolutions, with amendments, authorizing the issuance of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The proposed Resolution authorizes the issuance of Revenue Bonds to finance \$122,131,000 of academic and auxiliary facilities projects.

The Auxiliary Facilities Projects submitted in this Forty-First Bond Resolution may be subject to adjustments in order to align it with the FY 2020 System Funded Construction Program Request to be adopted by the Full Board on June 21, 2019. Any changes to this Resolution will be reported to the Committee on Finance. The total amount of bonds authorized will not exceed \$122,131,000.

Academic Facilities Projects

- Towson University: New Science Facility \$2,000,000
- University of Maryland, Eastern Shore: Pharmacy and Health Professions \$5,000,000
- University of Maryland, Eastern Shore: Flood Mitigation \$1,008,000
- University of Maryland, Baltimore County: Utility Upgrades \$2,346,000
- Southern Maryland Higher Education Center: Building III \$5,000,000
- System-wide Capital Facilities Renewal: \$18,646,000

Auxiliary Facilities Projects

- Towson University: Union Addition/Renovation \$13,000,000
- Towson University: Glen Towers Addition and Renovation \$4,201,000
- University of Maryland, College Park: North Campus Dining Hall Replacement \$12,000,000
- University of Maryland, College Park: Two New Residence Halls \$26,500,000
- University of Maryland, College Park: High Rise Residence Halls Renovation \$1,500,000
- Frostburg State University: New Residence Hall \$13,330,000
- Frostburg State University: Five Dorm Renovation \$7,700,000
- University of Maryland Baltimore County: Retriever Activities Center Renewal \$9,900,000

BOND COUNSEL: Miles & Stockbridge P.C.

ALTERNATIVE(S): The projects may be delayed without this authorization.

FISCAL IMPACT: Issuance of \$122,131,000 of bonds would result in debt service of approximately \$9.7 million per year for 20 years at 5.0%.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the Forty-First Bond Resolution.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

**FORTY-FIRST BOND RESOLUTION
OF THE BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF MARYLAND
AUTHORIZING THE ISSUANCE AND SALE OF UP TO
\$122,131,000 UNIVERSITY SYSTEM OF MARYLAND
AUXILIARY FACILITY AND TUITION
REVENUE BONDS**

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**FORTY-FIRST BOND RESOLUTION
OF THE BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF MARYLAND
AUTHORIZING THE ISSUANCE AND SALE OF UP TO
\$122,131,000 UNIVERSITY SYSTEM OF MARYLAND
AUXILIARY FACILITY AND TUITION
REVENUE BONDS**

RECITALS

WHEREAS, pursuant to Title 19 of the Education Article of the Annotated Code of Maryland (as the same may be amended or supplemented from time to time, "Title 19"), the University System of Maryland (the "System") is authorized to issue bonds for the purpose of financing or refinancing all or any part of the costs of the acquisition, construction, reconstruction, equipment, maintenance, repair, renovation and operation of one or more "projects," as such term is defined in Title 19, of the System;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted May 3, 1989, the System approved the Original Indenture (as hereinafter defined) providing for the issuance of one or more series of bonds from time to time for the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted June 14, 1995, the System approved the Supplemental Indenture (as hereinafter defined) supplementing and amending the Original Indenture in furtherance of the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, the System desires to issue and sell up to \$122,131,000 aggregate principal amount of its University System of Maryland Auxiliary Facility and Tuition Revenue Bonds on one or more Issuance Dates (as hereinafter defined) in one or more series from time to time, subject to the terms and conditions of this Forty-First Bond Resolution (as amended or supplemented from time to time, this "Resolution" or "Forty-First Bond Resolution") and the Indenture (as hereinafter defined) and secured by and payable from the Trust Estate pledged under the Indenture;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT:

ARTICLE I

DEFINITIONS

Section 1.01. Terms Defined in the Indenture. Except as provided in Section 1.02, all initially capitalized terms contained in the Indenture when used in this Resolution shall have the same meaning herein as set forth in the Indenture.

Section 1.02. Additional Definitions. In addition to the words and terms defined in the Indenture and elsewhere defined herein, the following words and terms as used herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

“Academic Facilities Projects” means, collectively, those projects constituting “academic facilities” as such term is defined in Title 19 which are defined as such in Section 2.04 of this Resolution, and individually, each of the projects so defined therein, and those projects which pursuant to Section 5.04 hereof are added as Projects.

“Accreted Amount” means the principal amount of any Capital Appreciation Bond as of the date of delivery, plus accrued interest (including compounded interest to the immediately preceding Interest Payment Date), if any.

“Arbitrage Compliance Agreement” means each Arbitrage Compliance Agreement (if any) or such other arbitrage or tax certification respecting payment of arbitrage rebate executed with respect to the Forty-First Resolution Bonds issued on any Issuance Date.

“Authorized Denomination” means \$5,000 or any integral multiple thereof, or such greater amount or multiple as may be set forth in a System Order.

“Auxiliary Facilities Projects” means, collectively, the projects constituting “auxiliary facilities” as such term is defined in Title 19 which are defined as such in Section 2.04 of this Resolution, and individually, each of the projects so defined therein, and those projects which pursuant to Section 5.04 hereof are added as Projects.

“Bond Resolution(s)” means each and all of the Resolutions of the Board which authorize the issuance of Bonds.

“Bonds” has the meaning given that term in the Indenture.

“Capital Appreciation Bonds” are described in Section 2.02 of this Resolution.

“Current Interest Bonds” are described in Section 2.02 of this Resolution.

“Escrow Deposit Agreement” means each agreement by and between the System and the Trustee executed and delivered in accordance with Section 2.07 of this Resolution.

“Fixed Rate Bond” means a Forty-First Resolution Bond bearing interest at a rate which is fixed to the maturity of such Forty-First Resolution Bond.

“Forty-First Resolution Bonds” means the Bonds of the System authorized by this Resolution.

“Forty-First Resolution Rebate Fund” means the fund established pursuant to Section 6.01 of this Resolution and Section 7.01 of the Indenture.

“Indenture” means the Original Indenture, as supplemented and amended by the Supplemental Indenture and as further amended or supplemented from time to time.

“Interest Payment Date” means April 1 and October 1 of each calendar year or such other date or dates as may be prescribed in a System Order and for any Forty-First Resolution Bond paid in full, the date of payment in full of such Forty-First Resolution Bond.

“Issuance Date” means each date on which all or any portion of the Forty-First Resolution Bonds are exchanged for the purchase price thereof.

“Liquidity Facility” means a Credit Facility which shall provide for the payment of the purchase price of Variable Rate Bonds tendered by the holders thereof for purchase as provided in a System Order regarding the issuance of such Variable Rate Bonds but shall not provide for the payment of the principal due on any such Variable Rate Bond at maturity or earlier redemption.

“Liquidity Provider” means the Person who provides a Liquidity Facility.

“Mandatory Sinking Fund Payment” is defined in Section 3.01 of this Resolution.

“Original Indenture” means the Indenture of Trust, dated as of May 1, 1989, by and between the System and the Trustee as approved by the Board of Regents pursuant to the 1989 Series A Bond Resolution of the System adopted May 3, 1989.

“Projects” means, collectively, the Academic Facilities Projects, the Auxiliary Facilities Projects and any other projects for which the proceeds of the Forty-First Resolution Bonds are authorized to be used.

“Record Date” means (a) with respect to Forty-First Resolution Bonds which are Fixed Rate Bonds or which are Variable Rate Bonds then bearing interest at a rate which is fixed for a period of one year or longer, the 15th day of the calendar month immediately preceding an Interest Payment Date, whether or not such day is a Business Day, and (b) with respect to all other Forty-First Resolution Bonds, the Business Day immediately preceding an Interest

Payment Date.

“Refunding Bonds” means (i) Forty-First Resolution Bonds of the System authorized by Section 2.06 of this Resolution or (ii) any Bonds issued under the authority of any other Bond Resolution to refund Bonds previously issued to finance any Project or to refund any prior issue of Bonds, including refunding Bonds.

“Sinking Fund Redemption Date” is defined in Section 3.01 of this Resolution.

“Supplemental Indenture” means the First Supplemental Indenture of Trust dated June 14, 1995, by and between the System and the Trustee, which Supplemental Indenture supplements and amends the Original Indenture.

“System Order” means the separate written order with respect to the Forty-First Resolution Bonds issued on any Issuance Date executed by an Authorized System's Representative.

“Variable Rate Bond” means a Forty-First Resolution Bond bearing interest at a rate which is not fixed to the maturity of such Forty-First Resolution Bond.

ARTICLE II

FORTY-FIRST RESOLUTION BONDS

Section 2.01. Authorized Amount of Forty-First Resolution Bonds; Designation and Series; Purpose; Security.

(a) In order to provide sufficient funds to carry out the purposes described in this Section 2.01, and according and subject to the terms, conditions and limitations established in the Indenture and this Resolution, Forty-First Resolution Bonds in an aggregate principal amount not to exceed \$122,131,000 are hereby authorized to be issued on one or more Issuance Dates from time to time as may be prescribed in a System Order regarding each issuance of Forty-First Resolution Bonds, all of which shall be issued for the purposes of financing the Projects. The Forty-First Resolution Bonds shall consist of Current Interest Bonds or Capital Appreciation Bonds or any combination thereof and may be issued from time to time on any Issuance Date. For the purposes of this Section 2.01, the principal amount of Capital Appreciation Bonds shall be the Accreted Amount as of the Issuance Date of such Capital Appreciation Bonds. Each System Order regarding each Issuance Date of the Forty-First Resolution Bonds shall specify the aggregate principal amount of Forty-First Resolution Bonds to be issued. In addition to the title “University System of Maryland Auxiliary Facility and Tuition Revenue Bonds,” each such System Order may prescribe or the Trustee may add to or incorporate into the general title or numerical designation of any Forty-First Resolution Bonds, any words, figures or letters designed to distinguish Forty-First Resolution Bonds issued on a particular Issuance Date from any other Forty-First Resolution Bonds or any other series of Bonds issued on such Issuance Date.

(b) The proceeds from the issuance and sale of the Forty-First Resolution Bonds shall be used for the purposes of financing or refinancing the cost of the Projects described in Section 2.04 hereof.

(c) The intended source of payment for the Forty-First Resolution Bonds designated for Academic Facilities Projects shall be Tuition Revenues and the intended source of payment for the Forty-First Resolution Bonds not designated for Academic Facilities Projects shall be Auxiliary Facilities Fees; provided, however, such intention as to source of payment shall in no way limit the lien of the Trust Estate or the right of the System to use any other source legally available for payment of any of the Forty-First Resolution Bonds.

(d) The Forty-First Resolution Bonds may, as determined by the Chancellor of the System or the Chief Operating Officer and Vice Chancellor for Administration and Finance of the System, be issued as “build America bonds” under the provisions of Section 54AA(d) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), or such provisions as may then be applicable, if then permitted under the Internal Revenue Code, with the intention that the interest payable on such Forty-First Resolution Bonds will not be excludable from federal gross income by the owners thereof. If any Forty-First Resolution Bonds are issued as “build America bonds”, the Chancellor of the System or the Chief Operating Officer and Vice Chancellor for Administration and Finance of the System may, in his or her discretion, elect on behalf of the System to issue such Forty-First Resolution Bonds as either tax credit bonds or bonds eligible to receive a refundable credit with respect to a portion of the interest paid on the bonds from the United States Treasury under the provisions of Section 54AA and related provisions of the Internal Revenue Code, or such provisions as may then be applicable.

(e) The Forty-First Resolution Bonds shall be secured as provided in the Indenture.

Section 2.02. General Terms of Forty-First Resolution Bonds.

(a) The Forty-First Resolution Bonds shall be dated as of the date or dates prescribed in a System Order.

(b) The Current Interest Bonds shall bear interest from their date, until paid, at the rate or rates set forth in, or determined in the manner provided in, a System Order (computed on the basis of (a) a 360-day year, composed of twelve 30-day months, in the case of Forty-First Resolution Bonds which are Fixed Rate Bonds or which are Variable Rate Bonds then bearing interest at a rate which is fixed for a period of one year or longer or (b) a 365- or 366-day year, as appropriate, for the number of days elapsed in the case of all other Forty-First Resolution Bonds) payable on each Interest Payment Date, and shall mature on such date or dates as may be prescribed in a System Order, but in no event shall the latest maturity be later than twenty-one (21) years from the Issuance Date of the applicable series of Forty-First Resolution Bonds. Interest on the Capital Appreciation Bonds shall accrue from their date of delivery at the rate or rates and in accordance with the method set forth in a System Order, shall be compounded on April 1 and October 1 of each year or as set forth in a System Order and shall be payable at

maturity or earlier on any redemption date, or on such date or dates as may be prescribed in a System Order, but in no event shall the latest maturity be later than twenty-one (21) years from the Issuance Date of the applicable series of Forty-First Resolution Bonds.

(c) The Forty-First Resolution Bonds shall be issuable as registered bonds without coupons in any Authorized Denomination. The Forty-First Resolution Bonds initially shall be issued only in book entry form and an Authorized System's Representative is hereby authorized to enter into such agreements with a Depository as may be necessary or appropriate to issue the Forty-First Resolution Bonds only in book entry form.

(d) The principal of and premium (if any) on the Current Interest Bonds and the principal of, and premium (if any) and interest due at maturity on, the Capital Appreciation Bonds shall be payable at the principal office or the principal corporate trust office of the Trustee, upon surrender of such Bonds at such principal office.

(e) Interest on the Current Interest Bonds shall be paid on each Interest Payment Date for the period from and including the immediately preceding Interest Payment Date for which interest has not theretofore been paid to but excluding the Interest Payment Date on which such payment is to be made. Subject to the terms of any agreement with a Depository and except as otherwise provided in a System Order, interest on the Current Interest Bonds shall be payable by check drawn upon the Trustee and mailed to the Persons in whose names such Current Interest Bonds are registered on the Bond Register as of the close of business on the Record Date immediately before the relevant Interest Payment Date; provided that the payment of interest on any such Current Interest Bonds in an aggregate principal amount equal to or greater than \$1,000,000 registered in the name of one Bondholder may, at the option of such Bondholder, be paid on any Interest Payment Date by wire transfer in federal reserve funds to any bank in the United States of America specified by such Bondholder, upon receipt by the Trustee of written notice on or before the Record Date immediately prior to the first Interest Payment Date upon which such a wire transfer is to be made. If any Bondholder shall elect to receive payment of interest by wire transfer, such election shall remain effective for all subsequent Interest Payment Dates until written notice revoking such election is received by the Trustee on or before the Record Date immediately prior to the Interest Payment Date for which notice of revocation is to be effective.

(f) As provided in the Indenture, the obligation of the System to pay the principal of, and premium (if any) and interest on, the Forty-First Resolution Bonds, shall be secured by and satisfied solely from the Trust Estate.

Section 2.03. Form of Forty-First Resolution Bonds. The Forty-First Resolution Bonds shall be in the form as may, consistent with the Indenture and this Resolution, be approved in a System Order, and shall be executed and delivered as provided in Section 2.09 of the Indenture. Execution of any Forty-First Resolution Bonds consistent with Section 2.09 of the Indenture shall be conclusive evidence of the System's approval thereof.

Section 2.04. Use of Proceeds; Projects Authorized. The following “academic facilities” and “auxiliary facilities” are hereby approved as projects, the costs of which may be paid from the proceeds from the issuance and sale of Bonds:

(a) up to \$15,354,000 of the Forty-First Resolution Bonds for the costs of the following constituting Academic Facilities Projects:

- (1) Towson University (Baltimore County)
New Science Facility
- (2) University of Maryland, Eastern Shore (Somerset County)
Pharmacy and Health Professions
Flood Mitigation Project
- (3) University of Maryland, Baltimore County (Baltimore County)
Utility Upgrades
- (4) Southern Maryland Higher Education Center (St. Mary’s County)
Building III

(b) up to \$18,646,000 of the Forty-First Resolution Bonds for the costs of those Capital Facilities Renewal Projects identified in the Capital Improvement Program approved by the Board for Fiscal Year 2019, as those Projects, from time to time, may be amended, modified, or supplemented by the Board.

(c) the following auxiliary facilities (the “Auxiliary Facilities Projects”) which are further identified and described in the System Funded Construction Program approved by the Board for Fiscal Year 2019, as those Projects, from time to time, may be amended, modified, or supplemented by the Board:

- (1) Towson University (Baltimore County)
 - (A) Union Addition/Renovation
 - (B) Glen Towers Addition and Renovation
- (2) University of Maryland, College Park (Prince George’s County)
 - (A) North Campus Dining Hall Replacement
 - (B) Two New Residence Halls
 - (C) High Rise Residence Halls Renovation: Phased
- (3) Frostburg State University (Allegany County)
 - (A) New Residence Hall
 - (B) Five Dorm Renovation

- (4) University of Maryland Baltimore County (Baltimore County)
Retriever Activities Center Renewal

In accordance with Section 102(d) of Title 19, and pursuant to Chapter 123 of the 2013 Laws of Maryland, each of the Academic Facilities Projects specified in subsection (a) and (b) above were approved by the Maryland General Assembly as a project for an academic facility. The aggregate amount of Bonds (of all series) designated for Academic Facilities Projects, as provided in Section 6.03 of the Indenture, shall not exceed the amounts specified in (a) and (b) above for the Academic Facilities Projects specified in such Sections.

Section 2.05. Deposit of Forty-First Resolution Bond Proceeds. The System shall direct the payment of the net proceeds of the Forty-First Resolution Bonds, in the following order:

- (a) accrued interest, if any, on those Forty-First Resolution Bonds that are Current Interest Bonds, from their dated date to but excluding the date of delivery thereof, shall be paid to the Trustee and deposited in the Interest Account of the Consolidated Bond Fund;
- (b) proceeds of those Forty-First Resolution Bonds designated as CBF Bonds which are Refunding Bonds shall be applied in accordance with Section 2.07 below; and
- (c) proceeds of those Forty-First Resolution Bonds designated as CBF Bonds which are not Refunding Bonds shall be deposited in the General Construction Fund, in such accounts as may be designated in a System Order.

Section 2.06. Refunding Bonds.

(a) Authority to Issue Refunding Bonds. In addition to the Forty-First Resolution Bonds authorized pursuant to this Resolution, and pursuant to the authority provided in Section 19-108 of Title 19 and Section 2.07(c) of the Indenture, the System is authorized to issue from time to time on any Issuance Date, additional Forty-First Resolution Bonds, as may be prescribed in a System Order, to refund any Forty-First Resolution Bonds or any other Refunding Bond. The terms and provisions of Section 2.01(a), 2.02 and 2.03 of this Resolution shall govern the terms and provisions of any Refunding Bonds. Proceeds of any Forty-First Resolution Bonds or any other Refunding Bonds may be used for the purpose of paying (i) the principal of, and premium (if any) and interest on any Forty-First Resolution Bonds or any other Refunding Bonds previously issued under authority of this Forty-First Bond Resolution or any other Bond Resolution, and (ii) any costs of issuance of such Forty-First Resolution Bonds or any other Refunding Bonds.

(b) Allocation of Refunding Bonds. Any Refunding Bonds issued pursuant to the authority of this Forty-First Bond Resolution shall be allocated to the Bond Resolution under which such Bonds to be refunded were originally issued without taking into account any premiums or discounts received in connection with the sale of such Bonds or the principal amount of such Refunding Bonds to be applied to pay the principal of, and premium (if any) and interest on any Bonds to be refunded or the costs of issuance of such Refunding Bonds.

Section 2.07. Escrow Deposit Agreements.

(a) On each Issuance Date of Refunding Bonds, the System and the Trustee shall execute and deliver an Escrow Deposit Agreement satisfying the requirements of this Section 2.07 and containing such other terms and conditions as the System may deem necessary or appropriate.

(b) Amounts held by the Trustee pursuant to an Escrow Deposit Agreement shall constitute part of the Trust Estate. If, and to the extent that, any Escrow Deposit Agreement provides for the disbursement of amounts for the purpose of paying the principal of, and premium (if any) and interest on, Forty-First Resolution Bonds being refunded, then such amounts shall not be deemed to be held by the Trustee for the benefit of the Refunding Bonds but only for the benefit of the Forty-First Resolution Bonds being refunded, all at such times and with respect to such amounts as may be specified in such Escrow Deposit Agreement. Except as provided in the preceding sentence, or as may be provided in an Escrow Deposit Agreement, amounts held by the Trustee pursuant to such Escrow Deposit Agreement shall be held for the benefit of only the Refunding Bonds issued on such Issuance Date.

(c) The System, pursuant to an Escrow Deposit Agreement, is hereby authorized to require the Trustee to establish from time to time one or more additional funds, accounts or subaccounts under this Resolution.

(d) Amounts held pursuant to an Escrow Deposit Agreement shall be disbursed by the Trustee pursuant to the terms of such Escrow Deposit Agreement for the purpose of paying the principal of, and premium (if any) and interest on, Forty-First Resolution Bonds being refunded and Refunding Bonds identified in such Escrow Deposit Agreement, on or prior to the maturity date thereof.

(e) A single Escrow Deposit Agreement may be executed in connection with the issuance of Refunding Bonds and other Bonds of the System, the proceeds of which are to be used to refund Outstanding Bonds under the Indenture.

Section 2.08. Consolidation of Bonds. Refunding Bonds (a) may be designated as CBF Bonds under the Indenture and (b) may be consolidated with, and issued together with, any other Bonds authorized to be issued under the Indenture. The proceeds of any Refunding Bonds may be consolidated and commingled with the proceeds of other Bonds issued to refund Outstanding Bonds under the Indenture as part of any Escrow Deposit Agreement that otherwise complies with Section 2.07 of this Resolution.

Section 2.09. Records for Academic Facilities and Auxiliary Facilities. The System shall maintain such books and records and shall make such allocations of the principal amount of Refunding Bonds and the payment of the principal of, and premium (if any) and interest on, such Refunding Bonds, as may be required from time to time in order to comply with the provisions of Section 19-102(e) of Title 19.

ARTICLE III

REDEMPTION OF FORTY-FIRST RESOLUTION BONDS

Section 3.01. Redemption Dates and Prices.

(a) The Forty-First Resolution Bonds shall be subject to redemption, in whole or in part at any time, at the option of the System or on such date or dates and at such price or prices as may be set forth in a System Order. The principal value of any Capital Appreciation Bonds as of any date of redemption shall equal the Accreted Amount.

(b) The Current Interest Bonds or certain of such Current Interest Bonds shall be subject to mandatory redemption, on such date or dates as may be prescribed in a System Order (each such date being a "Sinking Fund Redemption Date"), in such principal amount or amounts and at such price or prices as may be prescribed in a System Order (each such amount being a "Mandatory Sinking Fund Payment").

Section 3.02. Redemption Amounts.

(a) The System may reduce the amount of any Mandatory Sinking Fund Payment payable on any Sinking Fund Redemption Date by an amount equal to the principal amount of Current Interest Bonds subject to such Mandatory Sinking Fund Payment that shall be surrendered uncanceled by the System to the Trustee for such purpose not less than sixty (60) days prior to such Sinking Fund Redemption Date.

(b) In the case of any partial redemption of Current Interest Bonds at the option of the System, the System may select for redemption (i) any one or more subsequent maturities of Current Interest Bonds, and (ii) if any maturity of Current Interest Bonds is subject to Mandatory Sinking Fund Payment, any one or more subsequent Mandatory Sinking Fund Payments to be credited as being paid, provided that the System shall have delivered to the Trustee, not less than sixty (60) days before such maturity date or Sinking Fund Redemption Date (or such lesser period of time as the Trustee may allow), a System Request stating its election to redeem such Current Interest Bonds in such manner. In such case, the Trustee shall reduce the amount of Current Interest Bonds to be redeemed on the Sinking Fund Redemption Date specified in such System Request by the principal amount of Current Interest Bonds so purchased or redeemed. In the absence of any such direction, the Trustee shall reduce subsequent maturities and Mandatory Sinking Fund Payments proportionately, in increments of the minimum Authorized Denomination, to the extent reasonably practicable.

(c) Any credit given to any Mandatory Sinking Fund Payments shall not affect any remaining or subsequent Mandatory Sinking Fund Payments which shall remain payable as otherwise provided herein, unless and until another credit is given in accordance with the provisions hereof.

(d) In the case of any partial redemption of Forty-First Resolution Bonds, the particular Forty-First Resolution Bonds or portions thereof to be redeemed shall be selected by

the Trustee in proportion to the principal amount of Forty-First Resolution Bonds then outstanding, to the maximum extent practicable, and in such manner as the Trustee shall deem fair and equitable; provided, however, that so long as the Forty-First Resolution Bonds are registered in book-entry form with a Depository, the particular Forty-First Resolution Bonds or portions thereof to be redeemed shall be selected by the Depository in such manner as the Depository shall determine. If any Forty-First Resolution Bonds to be redeemed are selected by lot, such method shall be conclusively deemed fair and equitable. In the case of any partial redemption of Forty-First Resolution Bonds, in selecting Forty-First Resolution Bonds for redemption the Bond Registrar shall treat each Forty-First Resolution Bond as representing that number of Forty-First Resolution Bonds as is obtained by dividing the principal amount of such Forty-First Resolution Bond by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of the minimum Authorized Denomination of face value represented by any Forty-First Resolution Bond are to be redeemed, then upon notice of intention to effect such redemption, the Holder of such Forty-First Resolution Bond shall forthwith surrender such Forty-First Resolution Bond to the Trustee (i) for payment of the redemption price (including accrued interest thereon on the date fixed for redemption) of the portion thereof called for redemption and (ii) for exchange for Forty-First Resolution Bonds in any Authorized Denomination or Denominations in the aggregate principal amount of the unredeemed portion of such Forty-First Resolution Bond, which shall be issued to the Holder thereof without charge therefor. If the Holder of any such Forty-First Resolution Bond to be redeemed in part shall fail to present such Forty-First Resolution Bond to the Trustee for payment and exchange, as aforesaid, such Forty-First Resolution Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of the minimum Authorized Denomination of principal amount called for redemption (and to that extent only).

ARTICLE IV

CONSOLIDATED BOND FUND; ADDITIONAL FUNDS

Section 4.01. Payments into Consolidated Bond Fund.

(a) Subject to the provisions of Section 4.01(b) hereof, moneys transferred from the Revenue Fund in respect of the Forty-First Resolution Bonds shall be deposited in the order and amount set forth in Section 5.02 of the Indenture.

(b) In connection with the issuance of any Variable Rate Bonds, the Trustee shall establish such additional accounts within the Consolidated Bond Fund as shall be directed in a System Order relating to such Variable Rate Bonds. Moneys transferred from the Revenue Fund in respect of any Variable Rate Bonds may be deposited in any such additional accounts established within the Consolidated Bond Fund, and the amounts, times and order of priority of deposits to the Interest Account, the Principal Account and any such additional accounts established within the Consolidated Bond Fund with respect to such Variable Rate Bonds shall be as set forth in such System Order.

Section 4.02. Disbursements from Consolidated Bond Fund.

(a) Subject to the provisions of Section 4.02(b) hereof, the Trustee is hereby authorized and directed to withdraw and disburse moneys in the Consolidated Bond Fund in the order and amount, and for the purposes, set forth in Section 5.03 of the Indenture.

(b) In connection with the issuance of any Variable Rate Bonds, the Trustee shall be authorized and directed to withdraw and disburse moneys in the Principal Account, the Interest Account and any additional accounts established pursuant to Section 4.01(b) hereof within the Consolidated Bond Fund in the order and amounts, and for the purposes, set forth in the System Order relating to such Variable Rate Bonds.

Section 4.03. Establishment of Additional Funds or Accounts.

(a) In addition to any accounts established by the Trustee pursuant to Section 4.01(b) and 4.02(b) hereof, there may be established within the Consolidated Bond Fund, pursuant to the System Order regarding the issuance of any series of the Forty-First Resolution Bonds or as requested by the Authorized System's Representative, such additional trust accounts as shall be necessary or convenient in connection therewith and as shall be permitted pursuant to Section 5.01 of the Indenture. Deposits to and payments from such separate funds or accounts shall be as set forth in such System Order, subject in all events to the provisions of the Indenture.

ARTICLE V

GENERAL CONSTRUCTION FUND

Section 5.01. Deposit to General Construction Fund. Upon receipt by the Trustee of the moneys specified in Section 2.05(c) hereof, such moneys shall be deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account of the General Construction Fund, in such amounts as may be specified in a System Order.

Section 5.02. Deposit of Moneys Transferred from the Forty-First Resolution Rebate Fund. Any moneys transferred from the Forty-First Resolution Rebate Fund to the General Construction Fund shall be deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account in such amounts as may be specified in a System Request.

Section 5.03. Disbursements

(a) Proceeds of the Forty-First Resolution Bonds deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account of the General Construction Fund shall be disbursed in accordance with the provisions of Section 6.03 of the Indenture for the Costs of the Projects.

(b) Upon completion of the Projects, any moneys remaining in the General Construction Fund (other than moneys retained to pay costs, expenses and interest not then due and payable) shall be transferred to the Excess Proceeds Account and shall be held and disbursed by the Trustee in accordance with Section 6.04 of the Indenture.

Section 5.04. Additions to and/or Deletions from the Academic Facilities Projects and the Auxiliary Facilities Projects to be Financed.

(a) The System, without the consent of the Trustee or the Holders of the Forty-First Resolution Bonds, may from time to time amend Section 2.04 hereto to include as a Project any “academic facilities” as such term is defined in Title 19, to be constructed by the System and items of equipment to be acquired or installed by the System for which the use of Forty-First Resolution Bond proceeds is authorized pursuant to Title 19, as confirmed by an approving opinion of Bond Counsel, or to delete from Section 2.04 any Academic Facility Project listed therein; provided, however, that each item shall have been approved by the General Assembly of the State of Maryland pursuant to Section 19-102(d) of Title 19. In connection with any such amendment of Section 2.04, the System shall deliver to the Trustee the amended Section 2.04 together with a System Certificate approving such amendment and certifying that each item set forth in Section 2.04, as so amended, qualifies as such an academic facility.

(b) The System, without the consent of the Trustee or the Holders of the Forty-First Resolution Bonds, may from time to time amend Section 2.04 hereto to include as an Auxiliary Facilities Project any other “auxiliary facilities,” as such term is defined in Title 19, to be constructed by the System and items of equipment to be acquired or installed by the System for which the use of Forty-First Resolution Bond proceeds is authorized pursuant to Title 19, as confirmed by an approving opinion of Bond Counsel or to delete from Section 2.04 auxiliary facility projects listed therein to be acquired or constructed by the System and items of equipment to be acquired and installed by the System. In connection with any such amendment of Section 2.04 the System shall deliver to the Trustee the amended Section 2.04 together with a System Certificate approving such amendment and certifying that each item set forth in Section 2.04, as so amended, qualifies as such an auxiliary facility.

Section 5.05. Authorization for Use of Proceeds of Forty-First Resolution Bonds for Other Projects. As provided in the Indenture, all monies in the General Construction Fund may be disbursed to pay for the costs of any Auxiliary Facilities Project and any Academic Facilities Project. The proceeds of the Forty-First Resolution Bonds deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to prior Bond Resolutions and any Projects authorized pursuant to this Forty-First Bond Resolution. In addition, the proceeds of the Forty-First Resolution Bonds deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to subsequent Bond Resolutions without amending any other Bond Resolution and without the necessity of any amendment to this Forty-First Bond Resolution or the consent of the Trustee or any Holder of the Forty-First Resolution Bonds.

Section 5.06. Authorization for Use of Proceeds of Bonds from Prior Bond Resolutions for Projects. As provided in the Indenture, all monies in the General Construction Fund may be disbursed to pay for the costs of any Auxiliary Facilities Project and any Academic Facilities Project. The proceeds of any Bonds heretofore or hereafter issued under any prior Bond Resolutions and deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to this Forty-First Bond Resolution.

ARTICLE VI

REBATE FUND

Section 6.01. Rebate Fund. The Trustee if directed shall establish such Rebate Fund in connection with the Forty-First Resolution Bonds as shall be directed in a System Order relating to any such Forty-First Resolution Bonds and as provided in the Indenture. To the extent not inconsistent with the provisions of the Indenture, such System Order may restrict such Rebate Fund for use in connection with the Forty-First Resolution Bonds or may permit the use of such Rebate Fund in connection with other series of Bonds hereafter issued under the Indenture. Deposits shall be made to, and disbursements may be made from, such Rebate Fund as provided in such System Order, to the extent not inconsistent with the provisions of the Indenture.

ARTICLE VII

ADDITIONAL PERMITTED INVESTMENTS

Section 7.01. Additional Permitted Investments. As permitted by clause (i) of the definition of Permitted Investments of the Indenture, the following are added as Permitted Investments for the investment of the proceeds of the Forty-First Resolution Bonds and all Funds established by this Resolution:

(a) Repurchase, resale and other similar agreements with any person provided (i) such agreements are continuously collateralized with Government Obligations, (ii) the market value of the collateral is not less than one hundred two percent (102%) of the repurchase price (including interest), (iii) the Trustee or a third party acting as agent or custodian of the collateral solely for the Trustee has possession of the collateral, (iv) the collateral is free and clear of all liens and encumbrances, (v) the Trustee shall be entitled to liquidate the collateral if the requirement of subclauses (i) and (ii) are not continuously satisfied and (vi) the Trustee shall have a first priority perfected security interest in the collateral;

(b) Investment agreements, the provider of which is rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) by two Rating Agencies; and

(c) Investment agreements issued by any provider:

(i) that is rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) of a Rating Agency, or

- (ii) whose obligations under such investment agreements are unconditionally guaranteed by parent entities or other third parties that are rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) from a Rating Agency, or
- (iii) who satisfies the rating requirements of clause (i) or (ii) above and whose obligations under such investment agreements are collateralized by obligations described in clauses (a), (b), (d) or (e) under the definition of “Permitted Investments” in the Indenture or in clauses (a) or (b) above of this Article VII and which are delivered to the Trustee, or registered in the name of the Trustee, or are supported by a safekeeping receipt issued by a depository satisfactory to the Trustee, provided that such investment agreements must provide that the value of such obligations collateralizing such investment agreements shall be maintained at a current market value (determined not more frequently than monthly) of not less than 102% of the aggregate amount of the obligations of such financial institution, insurance company or financial services firm;

provided, however, that any investment agreement, at the time it is entered into, must meet and comply with the requirements of clause (i), (ii) or (iii) above.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Supplemental Resolutions. The System may, without the consent of, or notice to, any of the Bondholders, enter into a resolution or resolutions supplemental hereto which shall not be inconsistent with the terms and provisions hereof, provided that, in the opinion of Counsel to the Trustee, the change effected thereby is not to the prejudice of the interests of the Trustee or the Bondholders as permitted by Section 13.01 of the Indenture.

Section 8.02. Limitation of Rights. With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Forty-First Resolution Bonds is intended or shall be construed to give to any Person other than the System, the Trustee and the Holders of the Forty-First Resolution Bonds, any legal or equitable right, remedy or claim under or in respect to this Resolution or any agreements, conditions and provisions herein contained; this Resolution and all of the agreements, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the System, the Trustee and the Holders of the Forty-First Resolution Bonds as herein provided.

Section 8.03. Severability. If any provision of this Resolution shall be invalid, illegal or unenforceable because it conflicts with any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

Section 8.04. Immunity of Regents and Officers. No recourse for the payment of the principal of or premium (if any) or interest on, any Forty-First Resolution Bond or for any claim based thereon or otherwise in respect thereof or of this Resolution shall be had against any member of the Board of Regents or officers or employees of the System whether past, present or future, whether by virtue of any constitution, statute or rule of law, all such liability (if any) being hereby expressly waived and released as a condition of and in consideration of the issuance of the Forty-First Resolution Bonds.

Section 8.05. Private Use of the Projects. The System covenants that it will not make, or (to the extent the System exercises control or direction) permit to be made, any use of the Projects, or any portion thereof, by any other Person, if such use would cause those Forty-First Resolution Bonds to be "private activity bonds" within the meaning of Section 141 of the Code, unless the System and the Trustee receive an opinion of Bond Counsel to the effect that such use does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Forty-First Resolution Bonds, if any.

Section 8.06. Sale of Forty-First Resolution Bonds. As permitted by Title 19, the Board of Regents hereby finds and determines that the best interests of the System will be served by selling each issuance of the Forty-First Resolution Bonds at either a public competitive sale or a private (negotiated) sale as the Chancellor of the System deems to be in the best interest of the System at such prices, which may be at, above or below par, as the Chancellor of the System deems to be in the best interest of the System. In the event that two bidders offer to purchase an issue of the Forty-First Resolution Bonds at the same lowest true interest cost at a public competitive sale, the Chancellor of the System shall determine in his sole discretion to which of the bidders such issue of the Forty-First Resolution Bonds will be awarded. In the event of a private (negotiated) sale the Chancellor of the System shall select the purchaser of such issue of the Forty-First Resolution Bonds which the Chancellor of the System deems to be in the best interest of the System.

Section 8.07. Official Statement. There is hereby authorized to be prepared and distributed, in conjunction with each issuance and sale of the Forty-First Resolution Bonds, both a preliminary and a final official statement (the "Official Statement"). The preliminary official statement and the final official statement shall be in the form approved by either of the Chairperson of the Board of Regents or the Chancellor of the System whose execution by either of them shall be conclusive evidence of the approval thereof. The Chairperson of the Board of Regents and the Chancellor of the System, acting jointly or individually, are hereby authorized to execute by their manual or facsimile signatures and to deliver in the name of and on behalf of the System the Official Statement regarding each issuance of the Forty-First Resolution Bonds and to deem the Official Statement as final for the purposes of Securities Exchange Act Rule 15c2-

12, as amended or supplemented from time to time, or any successor law, rule or regulation (“Rule 15c2-12”).

Section 8.08. Continuing Disclosure. The Chairperson of the Board of Regents and the Chancellor of the System, acting jointly or individually, are hereby authorized to enter into one or more continuing disclosure agreements with respect to information contained in, or matters relating to, the Official Statement for any Forty-First Resolution Bonds and any other Bonds of the System. Any person designated as an “Authorized System’s Representative” under the Indenture is hereby authorized to prepare and file with the Municipal Securities Rulemaking Board such financial or other information as may be required to comply with the requirements of Rule 15c2-12, and to delegate the preparation and filing of any such information to any other officer or employee of the System. The System’s bond counsel is also designated as an agent for the System for purposes of preparing and filing any such information.

Section 8.09. Absence of Chairperson or Chancellor. If the Chairperson of the Board of Regents is unable to act or unavailable for any reason, or such position is vacant, the Chairperson of the Finance Committee of the Board of Regents is hereby authorized and empowered to act in place of the Chairperson of the Board of Regents, and if the Chancellor of the System is unable to act or unavailable for any reason, or such position is vacant, the Vice Chancellor for Administration and Finance is hereby authorized and empowered to act in place of the Chancellor of the System.

Section 8.10. Further Actions. The Chairperson of the Board of Regents, the Chairperson of the Finance Committee, the Secretary and Assistant Secretary of the Board of Regents of the System, the Chancellor of the System, and the Vice Chancellor for Administration and Finance of the System and other officials of the System are hereby authorized and empowered to do all acts and things and execute such instruments, documents and certificates (including all necessary closing certificates) and otherwise take all action necessary, proper or expedient in connection with each issuance, sale and delivery of the Forty-First Resolution Bonds.

Section 8.11. Validity of Signatures. In the event any Regent or officer of the System who has executed any bond, document, certificate or other matter ceases to be a Regent or officer before delivery, the signature is valid and sufficient for all purposes as if the Regent or officer had remained in office until delivery.

Section 8.12. Declaration of Official Intent. Any person designated as an “Authorized System’s Representative” under the Indenture is hereby authorized to adopt a declaration of official intent (within the meaning of Treasury Regulations Section 1.150-2) to reimburse the costs of any project with the proceeds of any bonds or other obligations issued by the System under the authority of Title 19 or any other provision of the laws of Maryland.

Section 8.13. Liberal Construction. The terms of this Forty-First Bond Resolution are not intended to be restrictive or technical. Accordingly, this Forty-First Bond Resolution shall be liberally construed in order to carry out and effectuate the purposes set forth herein and in Title 19.

AND BE IT FURTHER RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT this Resolution shall be effective on the date of its adoption by the Board of Regents.

ADOPTED, this 21st day of June, 2019.



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University System of Maryland: FY 2020 Operating Budget

COMMITTEE: Finance Committee

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: The total USM budget includes revenue from state appropriations, tuition and fees, auxiliary services, federal and other contract and grants, and other revenues for a total budget of \$6.0 billion. FY 2020 Tuition and Fees were approved at the April 19, 2019 meeting of the Board where resident undergraduate tuition was capped at 2%.

The state-supported portion of the budget totals \$3.5 billion. Included in the \$3.5 billion are state appropriations and Higher Education Investment Funds (HEIF) of \$1.5 billion (an increase of \$107 million or 7.7% over the FY 2019 Appropriation), tuition and fees of \$1.7 billion (an increase of \$65 million or 4.0%), and other of \$314 million (an increase of \$12 million or 4.1%). The USM state-supported costs are estimated to increase by \$195 million.

The net increase of \$107 million in state appropriations and HEIF includes the following:

- Cost of Living Adjustments (COLA) \$80.0M
- Year 2 Workforce Development Initiative (WDI) \$20.0M
- Senate Bill 1052 Implementation –Strategic Partnership \$ 6.0M
- New Facilities funding FY20 (UMCP, Towson, UMBC, and Shady Grove) \$ 5.8M
- UMBC Faculty & Student Success Initiative \$ 5.0M
- UMB Immunotherapy Research Funding \$ 2.5M
- UMB Tuberos Scleriosis Complex \$ 0.5M
- Legislative reductions, state fringe benefits, & other minor adjustments (\$13.0M)

The non state-supported portion of the budget totals \$2.5 billion. The \$2.5 billion is mainly comprised of Auxiliary Revenues of \$711.0 million (an increase of \$24 million or 3.5%) and \$1.3 billion of federal grants and other restricted funds (an increase of \$28 million or 2.2%).

ALTERNATIVE(S): The budget request could be adjusted to increase/decrease expenditures or to move expenditures from one area to another. However, a balanced budget is required and revenue must be adjusted to match any change in overall expenditures.

FISCAL IMPACT: The USM budget totals \$6.0 billion.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the FY 2020 operating budget as submitted, with the Chancellor authorized to make appropriate changes consistent with existing board policies and guidelines. Any such changes will be reported back to the Board.

COMMITTEE RECOMMENDATION: _____ DATE: _____

BOARD ACTION: _____ DATE: _____

SUBMITTED BY: Ellen Herbst (301) 445-1923

Table 3a

**SUMMARY OF EXPENDITURES
UNIVERSITY SYSTEM OF MARYLAND
TOTAL**

Expenditures	FY 2018		FY 2019		FY 2020		FY 2020 Change		%
	FTE	Actual	FTE	Working	FTE	Appropriation	FTE	Amount	
Salaries & Wages	24,316.70	\$ 3,173,707,696	24,795.40	\$ 3,322,045,090	24,795.41	\$ 3,467,369,368	0	\$ 145,324,278	4%
Technical & Special Fees		135,852,468		135,001,657		137,308,811		2,307,154	2%
Non Salary Operative & Maintenance		1,958,240,127		2,162,350,183		2,253,427,713		91,077,530	4%
Facilities Renewal		<u>267,102,537</u>		<u>178,147,410</u>		<u>193,737,555</u>		<u>15,590,145</u>	9%
Subtotal Operating Expenses		\$ 2,361,195,132		\$ 2,475,499,250		\$ 2,584,474,079		\$ 108,974,829	4%
Total Expenditures	24,316.70	\$ 5,534,902,828	24,795.40	\$ 5,797,544,340	24,795.41	\$ 6,041,200,847		\$ 243,656,507	4%
Current Unrestricted Revenue									
Tuition & Fees		\$ 1,713,066,741		\$ 1,772,749,616		\$ 1,839,032,181		\$ 66,282,565	4%
State Appropriation		1,279,795,113		1,323,676,578		1,426,168,438		102,491,860	8%
Higher Ed Investment Fund		57,936,350		63,188,000		67,503,440		4,315,440	7%
Sales & Services of Auxiliary		664,245,503		686,950,599		710,955,176		24,004,577	3%
Federal Grants & Contracts		148,550,038		146,567,902		146,615,350		47,448	0%
Other Sources		<u>390,275,079</u>		<u>447,573,239</u>		<u>464,711,450</u>		<u>17,138,211</u>	4%
Total Unrestricted Revenue		\$ 4,253,868,824		\$ 4,440,705,934		\$ 4,654,986,035		\$ 214,280,101	5%
Current Restricted Revenue									
Federal Grants & Contracts		757,277,800		799,168,952		818,397,135		19,228,183	2%
Other Sources		<u>523,756,204</u>		<u>557,669,454</u>		<u>567,817,677</u>		<u>10,148,223</u>	2%
Total Restricted Revenue		\$ 1,281,034,004		\$ 1,356,838,406		\$ 1,386,214,812		\$ 29,376,406	2%
Total Revenue		\$ 5,534,902,828		\$ 5,797,544,340		\$ 6,041,200,847		\$ 243,656,507	4%

Table 3b

**SUMMARY OF EXPENDITURES
UNIVERSITY SYSTEM OF MARYLAND
STATE-SUPPORTED**

Expenditures	FY 2018		FY 2019		FY 2020		FY 2020 Change		%
	FTE	Actual	FTE	Working	FTE	Appropriation	FTE	Amount	
Salaries & Wages	16,847.26	\$ 2,074,560,247	17,085.12	\$ 2,175,056,748	17,085.12	\$ 2,289,788,058	0	\$ 114,731,310	5%
Technical & Special Fees		89,146,300		81,707,175		84,408,336		2,701,161	3%
Non Salary Operative & Maintenance		861,220,133		968,562,635		1,033,896,550		65,333,915	7%
Facilities Renewal		<u>157,354,807</u>		<u>103,158,440</u>		<u>115,547,768</u>		<u>12,389,328</u>	12%
Subtotal Operating Expenses		\$ 1,107,721,240		\$ 1,153,428,250		\$ 1,233,852,654		\$ 80,424,404	7%
Total Expenditures	16,847.26	\$ 3,182,281,487	17,085.12	\$ 3,328,484,998	17,085.12	\$ 3,512,998,112		\$ 184,513,114	6%
Revenue									
Current Unrestricted Revenue									
Tuition & Fees		\$ 1,584,951,308		\$ 1,639,128,618		\$ 1,704,507,240		\$ 65,378,622	4%
State Appropriation		1,279,795,113		1,323,676,578		1,426,168,438		102,491,860	8%
Higher Ed Investment Fund		57,936,350		63,188,000		67,503,440		4,315,440	7%
Sales & Services of Auxiliary		-		-		-		-	
Federal Grants & Contracts		71,919,218		70,087,085		70,134,533		47,448	0%
Other Sources		<u>136,725,012</u>		<u>176,590,167</u>		<u>187,643,768</u>		<u>11,053,601</u>	6%
Total Unrestricted Revenue		\$ 3,131,327,001		\$ 3,272,670,448		\$ 3,455,957,419		\$ 183,286,971	6%
Current Restricted Revenue									
Federal Grants & Contracts		41,208,224		42,090,505		43,083,633		993,128	2%
Other Sources		<u>9,746,262</u>		<u>13,724,045</u>		<u>13,957,060</u>		<u>233,015</u>	2%
Total Restricted Revenue		\$ 50,954,486		\$ 55,814,550		\$ 57,040,693		\$ 1,226,143	2%
Total Revenue		\$ 3,182,281,487		\$ 3,328,484,998		\$ 3,512,998,112		\$ 184,513,114	6%

Table 3c

**SUMMARY OF EXPENDITURES
UNIVERSITY SYSTEM OF MARYLAND
NON STATE-SUPPORTED**

Expenditures	FY 2018		FY 2019		FY 2020		FY 2020 Change		%
	FTE	Actual	FTE	Working	FTE	Appropriation	FTE	Amount	
Salaries & Wages	7,469.44	\$ 1,099,147,449	7,710.28	\$ 1,146,988,342	7,710.28	\$ 1,177,581,310	0	\$ 30,592,968	3%
Technical & Special Fees		46,706,168		53,294,482		52,900,475		(394,007)	-1%
Non Salary Operative & Maintenance		1,097,019,994		1,193,787,548		1,219,531,163		25,743,615	2%
Facilities Renewal		<u>109,747,730</u>		<u>74,988,970</u>		<u>78,189,787</u>		<u>3,200,817</u>	4%
Subtotal Operating Expenses		\$ 1,253,473,892		\$ 1,322,071,000		\$ 1,350,621,425		\$ 58,749,386	4%
Total Expenditures	7,469.44	\$ 2,352,621,341	7,710.28	\$ 2,469,059,342	7,710.28	\$ 2,528,202,735		\$ 59,143,393	2%
Current Unrestricted Revenue									
Tuition & Fees		\$ 128,115,433		\$ 133,620,998		\$ 134,524,941		\$ 903,943	1%
State Appropriation		-		-		-		-	0%
Higher Ed Investment Fund		-		-		-		-	0%
Sales & Services of Auxiliary		664,245,503		686,950,599		710,955,176		24,004,577	3%
Federal Grants & Contracts		76,630,820		76,480,817		76,480,817		-	0%
Other Sources		<u>253,550,067</u>		<u>270,983,072</u>		<u>277,067,682</u>		<u>6,084,610</u>	2%
Total Unrestricted Revenue		\$ 1,122,541,823		\$ 1,168,035,486		\$ 1,199,028,616		\$ 30,993,130	3%
Current Restricted Revenue									
Federal Grants & Contracts		716,069,576		757,078,447		775,313,502		18,235,055	2%
Other Sources		<u>514,009,942</u>		<u>543,945,409</u>		<u>553,860,617</u>		<u>9,915,208</u>	2%
Total Restricted Revenue		\$ 1,230,079,518		\$ 1,301,023,856		\$ 1,329,174,119		\$ 28,150,263	2%
Total Revenue		\$ 2,352,621,341		\$ 2,469,059,342		\$ 2,528,202,735		\$ 59,143,393	2%

Table 3a

**SUMMARY OF EXPENDITURES
UNIVERSITY SYSTEM OF MARYLAND
TOTAL**

Expenditures	FY 2018		FY 2019		FY 2020		FY 2020 Change		%
	FTE	Actual	FTE	Working	FTE	Appropriation	FTE	Amount	
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Technical & Special Fees		135,852,468		135,001,657		137,308,811		2,307,154	2%
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Facilities Renewal		<u>267,102,537</u>		<u>178,147,410</u>		<u>193,737,555</u>		<u>15,590,145</u>	9%
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Total Revenue		\$ 5,534,902,828		\$ 5,797,544,340		\$ 6,041,200,847		\$ 243,656,507	4%



TOPIC: Biennial Nonexempt Market Salary Survey Report - Nonexempt Salary Structure Adjustment for FY 2020-2021

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: Pursuant to Board Policy VII-9.10, the USM is committed to conduct a Biennial Nonexempt Market Salary Survey to maintain salary competitiveness with the market. Attached is a summary of the FY 2020-21 market analysis prepared by compensation specialists from the USM Office and institutions. This report indicates that, with a moderate adjustment to the nonexempt salary structure, the USM can achieve reasonable market competitiveness.

Under Board policy, the guiding principle of the Nonexempt Pay Program is to “maintain the midpoint of salary ranges...equal to the current average salary paid for comparable job classes within the appropriate job market.” This year’s report is based on labor market trends that indicate annual increases in the market of approximately 2.0% in 2018 and 2019.

The report recommends a 4.0% overall salary structure adjustment, which would meet the market increases consistent with principles articulated in the Board Policy. It would increase the minimum, midpoint, and maximum salaries listed in the USM nonexempt pay ranges by this amount, and would require an increase to the salaries of approximately 1,099 staff members whose FY 20 salaries fall below the new minimum salary for each pay range. The cost to implement this option in FY 2020 across the USM is estimated at \$214,182.

Upon review of the analysis, it was the consensus of the USM vice presidents for administration and the institution presidents to recommend adoption of the proposed structure adjustment.

ALTERNATIVE(S): The Board could modify the recommendation or retain the current Nonexempt Salary Structure.

FISCAL IMPACT: Implementation is estimated to cost \$214,182 in FY 2020.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed Nonexempt Salary Structure Adjustment, effective for FY 2020 and FY 2021.

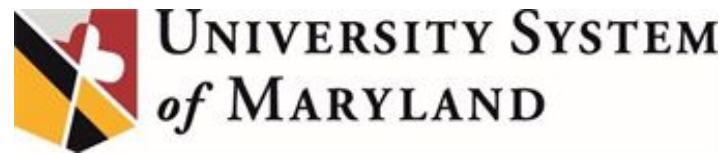
COMMITTEE RECOMMENDATION: _____ DATE: _____

BOARD ACTION: _____ DATE: _____

SUBMITTED BY: Ellen Herbst (301) 445-1923

NONEXEMPT STAFF SALARY STRUCTURE ADJUSTMENT RECOMMENDATION

Salary Structures effective July 1, 2019



USM Classification & Compensation Committee

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Overview

Each year, the Compensation & Classification Committee (CCC) of the Systemwide Human Resources Committee (SHRC) conducts a biennial review of either the Nonexempt or Exempt Staff salary structure, to review the relationship of the USM structure to the external job market. The commitment to review the Nonexempt and Exempt salary structures was made by the Board of Regents when the Staff Pay Program was established in 1996.

- The Nonexempt salary structure is reviewed in odd years, the Exempt structure in even; structure adjustment recommendations begin with a report to the SHRC, and work through approval levels until ultimately reaching the Board of Regents.
- This salary structure adjustment, if approved by the USM Board of Regents, is expected to remain in place for two fiscal years; in this case, the Nonexempt salary structure will be effective at the beginning of the first full pay period after June 30, 2019. In the fall of 2019, the CCC will commence the biennial review of the Exempt salary structure.

Background of the USM Staff Pay Program

- The “Key Principles” of the USM Staff Pay Program were approved by the Board of Regents on May 28, 1992, following the creation of the University System of Maryland by the Maryland General Assembly in 1988. These “Key Principles” authorized the Chancellor to direct the development of a *market-based* Staff Pay Program to replace the disparate programs of the former institutions of the “Board of Trustees of State Universities and Colleges” and the “Board of Regents of the University of Maryland.”
- The Staff Pay Program included new USM-wide Nonexempt job class specifications, job evaluation methodologies, market-based salary structures, a new approach to performance management and incentives, and most importantly, new foundational policies, including VII-9.10 “*Policy on the Pay Program for Nonexempt Staff Employees*,” which states (in part): “*it is the goal of the USM to maintain the midpoint of the salary ranges within the applicable salary structure equal to the current average salary paid for comparable job classes within the appropriate job market.*” This is the basis of the Biennial Review.
- Recent biennial structure adjustments:
 - Exempt - No increase (FY19-20)
 - Nonexempt - 5.6% (FY18-19)
 - Exempt - 7.625% (FY17-18)
 - Nonexempt - 4.0% (FY16-17)

USM Nonexempt Salary Structure Currently In Use

Nonexempt Salary Structure (effective July 1, 2017 to June 30, 2019)

- The 2017 Biennial Review of the Nonexempt salary structure resulted in a 5.6% overall adjustment approved by the Board of Regents that went into effect on July 1, 2017, and expires on June 30, 2019.
- In order to preserve a strong market basis for the Staff Pay Program, the structure is not automatically adjusted for any COLA.
- The compensation philosophy adopted by the BOR for the Nonexempt salary structure is lead/meet/lag. The structure should lead the market at the beginning of the cycle, meet the market in the middle, and lag the market by the end of the cycle (before new structure adjustments are made).

Pay Range	Minimum	Midpoint	Maximum
1	\$24,935	\$26,419	\$27,903
2	\$25,160	\$29,601	\$34,041
3	\$26,335	31,653	\$36,971
4	\$27,586	33,848	\$40,109
5	\$28,956	\$36,193	\$43,432
6	\$30,962	\$38,702	\$46,443
7	\$31,867	\$41,386	\$50,903
8	\$34,075	\$44,254	\$54,433
9	\$35,728	\$47,321	\$58,915
10	\$38,204	\$50,602	\$63,000
11	\$40,852	\$54,110	\$67,368
12	\$43,685	\$57,860	\$72,036
13	\$46,712	\$61,871	\$77,030
14	\$49,951	\$66,161	\$82,370
15	\$53,414	\$70,747	\$88,080
16	\$57,116	\$75,651	\$94,185

Major Considerations in Review

1) Job Market Competitiveness

- The CCC's approach to this biennial review was to evaluate average salary structure adjustments for various Nonexempt employee cohorts at employers in the Washington-Baltimore regional corridor. Beginning with eight reputable salary survey tools, the CCC compared and refined the data set to the five instruments best suited to this biennial review of the Nonexempt salary structure.
- These surveys reported an actual average salary structure adjustment of **1.97% in calendar year 2018**, and a projected adjustment of **1.98% in calendar year 2019**. The **CCC recommends a 4% overall adjustment** to the Nonexempt salary structure for the biennial cycle beginning the first full pay period after June 30, 2019, which is consistent with the lead/meet/lag philosophy approved by the BOR.

2) Relationship to the USM Exempt Salary Structure

- The CCC has historically maintained a reasonable differential between the Nonexempt and Exempt salary structures. This fall, the CCC will conduct the biennial review of the Exempt salary structure.
- This review could be impacted by a final determination on a new minimum salary threshold for exemption from the overtime provisions of the Fair Labor Standards Act. The U.S. Department of Labor has proposed a revision to its overtime eligibility rule that would classify any employee paid less than \$35,308 per year as Nonexempt and, therefore, eligible for overtime pay, *regardless of the duties performed*. The proposed rule could have cost implications for USM institutions, as it will likely apply to coaches and non-teaching faculty.

Recommendations for the USM Board of Regents

- 1) **Adjust the Nonexempt salary structure by 4% at the beginning of the first full pay period after June 30, 2019.** A 4% structure adjustment is supported by the review of like positions in the external job market; the Nonexempt structure will not be adjusted for subsequent COLAs.
- 2) **Re-establish Nonexempt Pay Range 17** to address long-term recruiting and retention difficulties with HVAC Zone Supervisor positions at UMCP and Elevator Technician position(s) at UMB. This will have a very small impact at other USM institutions.

Considerations:

- The 4% structure adjustment generally improves market competitiveness and follows the lead/meet/lag philosophy in the implementation cycle.
- The Maryland General Assembly passed legislation that incrementally increases the state's minimum wage from the current \$10.10/hour to \$15/hour by 2025.
- The first adjustment will be to \$11/hour on January 1, 2020, and then to \$11.75/hour on January 1, 2021. Based on earlier projections, these increases will not require any adjustment to the Nonexempt structure in this review cycle.

Proposed USM Nonexempt Salary Structure Fiscal Years 2020 - 2021 (Effective at the beginning of the first full pay period after June 30, 2019)			
Pay Range	Minimum	Midpoint	Maximum
1	\$25,932	\$27,476	\$29,019
2	\$26,166	\$30,785	\$35,403
3	\$27,388	\$32,919	\$38,450
4	\$28,689	\$35,201	\$41,713
5	\$30,114	\$37,641	\$45,168
6	\$32,200	\$40,251	\$48,301
7	\$33,142	\$43,041	\$52,939
8	\$35,438	\$46,024	\$56,610
9	\$37,157	\$49,215	\$61,272
10	\$39,732	\$52,626	\$65,520
11	\$42,486	\$56,275	\$70,063
12	\$45,432	\$60,175	\$74,917
13	\$48,580	\$64,346	\$80,111
14	\$51,949	\$68,807	\$85,665
15	\$55,551	\$73,577	\$91,603
16	\$59,401	\$78,677	\$97,952
17 (New)	\$63,500	\$84,106	\$104,711

Projected First Year Costs* of 4% Adjustment to the Nonexempt Salary Structure

Institution	Regular		Contingent II		Contingent I		Total	
	Count	Cost	Count	Cost	Count	Cost	Count	Cost
BSU	0	\$0	0	\$0	2	3788	2	\$3,788
CSU	0	\$0	3	\$673	19	14680	22	\$15,353
FSU	4	\$626	2	\$751	0	0	6	\$1,377
SU	10	\$1,666	3	\$490	53	\$42,427	66	\$44,583
TU	15	\$2,547	1	\$119	18	\$3,619	34	\$6,285
UB	0	\$0	2	\$576	3	\$3,541	5	\$4,117
UMB	13	\$3,486	1	\$382	81	\$48,552	95	\$52,420
UMBC	6	\$2,147	0	\$0	2	\$1,999	8	\$4,146
UMCES	6	\$2,508	1	\$339	0	0	7	\$2,847
UMES	4	\$2,483	12	\$3,270	75	\$13,439	91	\$19,192
UMCP	20	\$9,940	21	\$3,296	718	\$46,120	759	\$59,356
UMUC	2	\$371	2	\$346	0	\$0	4	\$718
USMO	0	0	0	0	0	0	0	0
Total	80	\$25,774	48	\$10,243	971	\$178,164	1,099	\$214,182

Total Implementation Costs: \$214,182

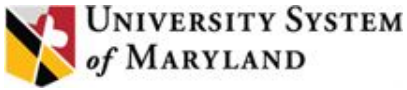
Note:

*These are the costs of bringing Nonexempt employees whose salaries are below the minimums of the adjusted ranges to the new range minimums.

Future Considerations

The CCC recommends that the USM-wide Nonexempt job class benchmarks be reviewed and validated in the external market; the integrity of USM's Nonexempt salary structure is predicated on valid benchmark jobs that anchor each salary range. Such an undertaking would require some dedicated effort of institutional Compensation & Classification staff, depending on the scope of such a project and whether an external consultant is retained.

The Nonexempt benchmarks are particularly important since the Maryland General Assembly has passed the \$15.00 minimum wage legislation. Although the new law will have no impact on the structure in the next two years, the ensuing years' adjustments required to bring the USM's lowest Nonexempt earners to higher minimum wage thresholds will compound the already significant salary compression issues that exist at most of the USM's institutions. This requires attention after the Nonexempt job benchmarks are established and validated.



TOPIC: Proposed Amendments to Faculty and Staff Parental Leave Policies

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: The attached proposed amendments to existing USM policies governing parental leave expand the current guaranteed paid parental leave benefit for faculty and staff from 8 to 12 weeks. Employees will be required to use available personal leave and either accrued annual or sick leave during the parental leave period. If those categories of leave are insufficient to cover the 12-week period, the employee will be granted supplemental paid leave to make up the difference. The amendments also reduce the employment period required to qualify for the benefit from twelve months to six months.

The two policies for which approval of amendments is sought have been reviewed by the Office of Attorney General. Recommended amendments are indicated in colored type. The two policies are:

- *USM II-2.25—Policy on Parental Leave and other Family Supports for Faculty*
- *USM VII-7.49—Policy on Parental Leave and other Family Supports for Staff*

ALTERNATIVE(S): The Committee could choose to recommend that the Board not approve the proposed policy amendments or could recommend alternatives to the proposed amendments.

FISCAL IMPACT: It is expected that the proposed amendments could result in very modest increases in leave usage, which could indirectly result in minimal cost increases.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed amendments to the policies.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

USM Bylaws, Policies and Procedures of the Board of Regents

II-2.25 – POLICY ON PARENTAL LEAVE AND OTHER FAMILY SUPPORTS FOR FACULTY

(Approved by the Board of Regents on June 22, 2012; Amended April 20, 2018, Amended xxxxx xx, 2019.)

I. PURPOSE

This Policy is intended to support faculty in balancing professional and family demands during and after the birth or adoption of a child through a combination of measures to promote a “family-friendly” environment on each University System of Maryland (USM) campus. These measures include:

- A. A minimum assured period of paid parental leave of twelve (12) weeks ~~eight (8) weeks~~;
- B. The adoption of Family Support Plans at each Institution;
- C. Minimum requirements to extend the time for tenure review for new parents; and
- D. The availability of lactation facilities on each campus.

II. ASSURED MINIMUM PARENTAL LEAVE

Each eligible faculty member shall be assured a period of up to twelve (12) weeks ~~eight (8) weeks~~ of continuous paid parental leave to care for a new child, as follows:

A. Nature of Leave

The parental leave period shall consist of any form of annual and personal leave available for use under USM BOR ~~P~~policy II-2.40 – Policy on Annual Leave for Faculty, ~~sick leave available for use under USM BOR policy II 2.30 – Policy on Sick Leave for Faculty Members, or~~ holiday leave for holidays observed during parental leave, or discretionary paid administrative leave granted to an institution’s employees by the President for institutional closures that occur during an employee’s parental leave period, such as in the case of extreme inclement weather or to provide employees with an additional day off prior to a holiday. If none of these categories of leave is available to the faculty member, supplemental paid leave days shall be provided by the Institution to be supplemented by the Institution with additional paid leave days to attain the twelve (12) week ~~eight (8) week period of~~ paid parental leave assurance. As a matter of institutional policy, Institutions may permit employees to substitute use of accrued sick leave for annual leave in order to qualify for supplemental paid leave.

B. Interaction of Leave with the Family and Medical Leave Act

All leaves taken during the parental leave period (annual, ~~sick~~, personal, ~~sick~~, collegial, holiday, administrative or supplemental ~~additional~~ paid parental leave-

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~~assurance~~) shall run concurrently with any available FMLA leave (“FML”) per Section IV of USM BOR policy II-2.31 – Policy on Family and Medical Leave for Faculty, if the faculty member is also eligible for FML under USM BOR policy II-2.31. The Institution shall administer both policies concurrently.

C. Applicability

The ~~twelve (12) week~~ ~~eight (8) week~~ paid parental leave assurance shall be available on a continuous basis during a six- (6-) month period surrounding:

1. The birth of a child;
2. The adoption of a child; and
3. At the discretion of the Institution’s chief academic officer and subject to any limitations established by the Institution, the assumption of other parenting responsibilities, such as foster parenting or legal guardianship of a child under the age of six (6).

D. Eligibility

At a minimum, the paid leave assurance shall apply to tenured and tenure-track faculty, and non-tenure-track faculty with multi-year contracts, upon written affirmation that the faculty member will be the child’s primary caregiver during the parental leave period, subject to the following:

1. Institutions may offer assured minimum paid leave to other categories of faculty as a matter of institution policy;
2. Leave shall be pro-rated for eligible part-time faculty; and
3. If a child’s parents are employed by the same Institution, both parents may be eligible for paid parental leave as follows:
 - a) Both parents may concurrently use accrued annual, sick, holiday, collegial or personal leave ~~concurrently~~ with the birth of a child or adoption of a child; and
 - b) A parent may use supplemental~~additional~~ guaranteed paid leave under II.A. of this Policy only during a period when that parent is the child’s primary caregiver.
4. A faculty member shall be eligible for assured minimum paid parental leave after ~~six (6) months~~ ~~one (1) year~~ of employment with the Institution, except to the extent that institution policies permit, and the terms of the faculty member’s appointment establish a lesser eligibility period.
5. A faculty member may be eligible for paid parental leave under this Policy on one occasion in any twelve- (12-) month period, ~~and on two occasions during~~

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~~the duration of the faculty member's employment within the USM, except to the extent Institution policies provide otherwise.~~

~~5.6. Parental leave for faculty must be used continuously; it is not available on an intermittent basis.~~

III. FACULTY FAMILY SUPPORT PLANS

Each Institution shall assure that each eligible faculty member, as defined below in Section III.C, has the opportunity to establish a "Family Support Plan." These plans are intended to provide support for new parents while assuring that continuity in student instruction and other critical faculty duties are not disrupted during periods of parental leave.

A. Plan Development

The plan shall be developed jointly by the faculty member and department chair, or the designee of the chair or the dean, upon request of the faculty member.

1. If the faculty member and department chair are unable to finalize the plan, or if an agreed-upon plan requires additional resources, the appropriate dean or other academic affairs administrator shall participate in completing the plan.
2. Each completed plan shall be shared with the appropriate dean or other academic affairs administrator.

B. Plan Content

The plan shall allow the faculty member to reduce or otherwise modify workload, especially teaching duties, during parental leave, though a combination of:

1. Leave, including:
 - a) Exhaustion of all available annual, personal, and holiday, ~~and sick~~ leave-
(~~including collegial sick leave~~);
 - b) Additional paid parental leave, as needed, up to the ~~eight (8) week~~ twelve (12) week total; and
 - c) Any additional leave for which the faculty member may be eligible under USM BOR policy II-2.31 – Policy on Family and Medical Leave for Faculty.
2. Workload modifications, to the extent authorized by the Institution and feasible within the faculty member's department, which may include:
 - a) Part-time employment;
 - b) The spreading of the semester's teaching responsibilities over multiple terms

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preceding and succeeding the parental leave period;

- c) Redistribution of duties to substitute a teaching assignment with other departmental or academic service; and/or
- d) Other options identified by the Institution or department.

C. Eligibility

Each tenured or tenure-track faculty member whose responsibilities are primarily instructional is eligible for a Family Support Plan, subject to the eligibility standards of Section II.D.1 through .5 of this Policy. Institutions may offer the opportunity to develop a Family Support Plan to other categories of faculty as a matter of institution policy.

IV. EXTENSION OF TIME FOR TENURE REVIEW

A. Minimum Requirements

Each USM Institution shall establish policies and procedures to permit faculty members who become new parents with the birth or adoption of a child to extend the time for tenure review. At a minimum, institution policies shall provide for:

1. A one- (1-) year extension of the time for tenure review upon the birth or adoption of a child to run concurrently with any extension provided under USM BOR policy II-2.31 – Policy on Family and Medical Leave for Faculty; and
2. The ability to obtain such an extension twice during employment with an Institution.

B. Institution Procedures

Institution procedures may include requirements related to the timing and content of applications for the extension, documentation of eligibility and other aspects of the process for requesting and administering extensions of the time for tenure review.

C. Additional Institution Provisions

An Institution's policies to extend the time for tenure review may be broader in scope than the minimum eligibility and duration requirements specified in this Policy.

V. SUPPORTS FOR NURSING MOTHERS

A. Lactation Facilities

Each Institution shall provide space at reasonable locations on campus where employees who are nursing mothers may express milk.

1. The area must be shielded from view and free of intrusions from others.
2. A bathroom or restroom may not be designated as a lactation area.

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3. The space may be a private area in a larger room, or a private room that is reliably made available for nursing mothers whenever needed but may otherwise be used for different functions.
4. The area shall be equipped with seating, a table or other flat surface, an electrical outlet and nearby access to a sink.

B. Breastfeeding

The requirement for lactation facilities on each campus and their availability for the purpose of breastfeeding a child are subject to institution policies that govern the circumstances under which the children of employees may be present on campus.

VI. PROTECTIONS FOR FACULTY

No faculty member shall be discriminated against or otherwise experience reprisals in any appointment, evaluation, promotion, tenure or other employment-related process as a result of utilizing the parental leave and other supports provided by this Policy.

VII. IMPLEMENTATION PROCEDURES

Each President shall identify his/her designee(s) as appropriate for this Policy; develop procedures as necessary to implement this Policy; communicate this policy and applicable procedures to employees at his/her Institution and the general campus community; and post this Policy on the institutional website. Each President shall forward a copy of such designations and implementation procedures to the USM Chancellor.

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VII-7.49 – POLICY ON PARENTAL LEAVE AND OTHER FAMILY SUPPORTS FOR STAFF

(Approved by the Board of Regents on June 22, 2012; Amended on April 20, 2018, [Amended on xxxxx xx, 2019.-](#))

I. PURPOSE

This Policy is intended to support University System of Maryland (USM) staff in balancing professional and family demands during and after the birth or adoption of a child through measures to promote a “family-friendly” environment on each USM campus. These measures include the establishment of a minimum assured period of paid parental leave of [sixty \(60\) work days \(480 hours\)](#), ~~eight (8) weeks~~ and the availability of lactation facilities on each campus.

II. ASSURED MINIMUM PARENTAL LEAVE

Each eligible staff employee shall be assured a period of up to [sixty \(60\) work days \(480 hours\)](#) ~~eight (8) weeks~~ of [continuous](#) paid parental leave to care for a new child, as follows:

A. Nature of Leave

~~For a fulltime staff employee, the 60-work day paid parental leave assurance shall be comprised period shall consist~~ [consist of the following](#); ~~five elements~~:

1. [Accrued Annual Leave that is available to the employee when the parental leave period begins, and as it is accrued throughout the parental leave period, pursuant to any form of annual leave available for use under](#) USM BOR policy VII-7.00 – Policy on Annual Leave for Regular Nonexempt and Exempt Staff Employees;
2. ~~sick leave available for use under USM BOR policy VII 7.45 – Policy on Sick Leave for Exempt and Nonexempt Staff Employees (including advanced sick leave and extended sick leave), Personal leave that is available to the employee when the parental leave period begins, and as additional personal leave may be granted during the parental leave period, pursuant to or use under~~ USM BOR policy VII-7.10 – Policy on Personal Leave for Regular Nonexempt and Exempt Staff Employees;
3. [Earned Holiday Leave for observed holidays throughout the parental leave period, pursuant to available for use under](#) USM BOR policy VII-7.30 – Policy on Holiday Leave for Regular Nonexempt and Exempt Staff Employees, ~~for holidays observed during parental leave and earned including institutional or “floating” holidays~~;
4. [Discretionary paid Administrative leave granted to an institution’s employees by the President for institutional closures that occur during an employee’s parental leave period, such as in the case of extreme inclement weather, or to provide employees with an additional day off before a holiday break.](#)

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5. If none of the above categories of leave is available to the employee, supplemental paid leave shall be provided to the employee by, or leave taken from the Leave Reserve Fund under USM BOR policy VII 7.11—Policy on Leave Reserve Fund for Regular Status Nonexempt and Exempt Staff Employees, to be supplemented by the Institution to attain the paid parental leave assurance of ~~with additional paid leave days to attain 60 work days (480 hours).~~ ~~an eight (8) week period of paid parental leave.~~ As a matter of institutional policy, Institutions may permit employees to substitute use of accrued sick leave for annual leave in order to qualify for supplemental paid leave.

B. Interaction of Leave with the Family and Medical Leave Act

All leaves taken during the parental leave period (annual, sick, advanced sick, ~~extended leave, extended sick,~~ personal, holiday, ~~administrative, Leave Reserve Fund,~~ or ~~additional supplemental~~ paid parental leave assurance) shall run concurrently with any available FMLA leave (“FML”) per Section IV of USM BOR policy VII-7.50 – Policy on Family and Medical Leave for Nonexempt and Exempt Staff Employees, if the employee is also eligible for FML under USM BOR policy VII-7.50. The Institution shall administer both policies concurrently.

C. Applicability

The ~~60-work day/480-hour eight (8) week~~ paid parental leave assurance shall be available on a continuous basis during a six- (6-) month period surrounding:

1. The birth of a child;
2. The adoption of a child; and
3. At the discretion of the Institution’s President or designee and subject to any limitations established by the Institution, the assumption of other parenting responsibilities, such as foster parenting or legal guardianship of a child under the age of six (6).

D. Eligibility

At a minimum, the paid leave assurance shall apply to Regular staff employees, upon written affirmation that the employee will be the child’s primary caregiver during the parental leave period, subject to the following:

1. Institutions may offer assured minimum paid leave to other categories of staff as a matter of institution policy.
2. Leave shall be pro-rated for eligible ~~.50 or greater Full Time Equivalent~~ Staff, appointed at .50 or greater Full Time Equivalence (FTE).
3. If a child’s parents are employed by the same Institution, both parents may be eligible for paid parental leave as follows:

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- a) Both parents concurrently may use accrued annual, sick, advanced sick, extended sick, holiday, Leave Reserve Fund, or personal leave ~~(s) concurrently~~ with the birth of a child or adoption of a child; and
 - b) A parent may use ~~supplemental~~additional guaranteed paid leave under II.A.5. ~~of~~ this Policy only during a period when that parent is the child's primary caregiver.
4. A staff employee shall be eligible for assured minimum paid parental leave after ~~one (1) year~~ six (6) months of continuous employment with the Institution, except to the extent that institution policies permit a lesser eligibility period.
5. A staff employee who has not yet reached the six-month eligibility threshold may use other available leaves for parental support purposes, pursuant to the applicable policies:
- a) Accrued ~~and available~~ Sick Leave
 - b) Any Advanced Sick Leave the employee is eligible to receive, prorated to the length of service and appointment FTE
 - 4-c) Leave Without Pay
6. A staff employee may be eligible for paid parental leave under this Policy on one occasion in any twelve- (12-) month period, and on two separate occasions during the duration of the staff member's employment within the USM, except to the extent institution policies provide otherwise.
- 5-7. Parental Leave for Staff must be used on a continuous ~~basis~~; it is not available on an intermittent basis.
- 6-8. The employee must have a satisfactory record of ~~sick leave usage and~~ work performance and no record of sick or safe leave abuse.

III. SUPPORTS FOR NURSING MOTHERS

A. Lactation Facilities

Each Institution shall provide space at reasonable locations on campus where employees who are nursing mothers may express milk.

1. The area must be shielded from view and free of intrusions from others.
2. A bathroom or restroom may not be designated as a lactation area.
3. The space may be a private area in a larger room, or a private room that is reliably made available for nursing mothers whenever needed but may otherwise be used for different functions.
4. The area shall be equipped with seating, a table or other flat surface, an electrical outlet and nearby access to a sink.

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B. Breastfeeding

The requirement for lactation facilities on each campus and their availability for the purpose of breastfeeding a child are subject to institution policies that govern the circumstances under which the children of employees may be present on campus.

C. Break Time for Nursing Mothers

The schedule of a staff employee who is a nursing mother shall allow for reasonable break time during work hours for the purpose of breastfeeding or expressing milk.

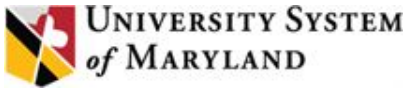
1. Employees shall be permitted to use current paid break and unpaid lunch times to breastfeed or express milk.
2. Supervisors shall work with employees who need additional break time for this purpose to provide for the flexible scheduling of additional unpaid break time.

D. Protections for Staff Employees

No employee shall be discriminated against or otherwise experience reprisals in any appointment, evaluation, promotion, or other employment-related process as a result of utilizing the parental leave and other supports provided by this Policy.

IV. IMPLEMENTATION PROCEDURES

Each President shall identify his/her designee(s) as appropriate for this Policy; develop procedures as necessary to implement this Policy; communicate this Policy and applicable procedures to employees at his/her institution and the general campus community; and post this Policy on the Institutional website. Each President shall forward a copy of such designations and implementation procedures to the USM Chancellor.



TOPIC: Proposed Amendments to Faculty and Staff Sick Leave Policies and Contingent Employees Policy, and a new Policy on Sick and Safe Leave for Contingent Category I and Certain Other Employees

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: The Healthy Working Families Act requires most Maryland public and private employers to provide certain employees with “sick and safe” leave under specified circumstances. The four attached policies have either been amended or, in one case, newly created to provide employees with leave in accordance with this law. Recommended amendments are indicated in colored type. The primary changes to existing USM policies are:

- the definition of “family member” for whom an employee may use leave when needed to care for the family member has been expanded
- the concept of “safe” leave has been added to provide employees with leave when they must be absent to address issues related to sexual assault, domestic violence or stalking of the employee or family member
- Contingent I staff and certain student and other hourly or part-time employees will now be provided with a minimum amount of sick and safe leave annually

The four policies for which approval is sought have been reviewed by the Office of Attorney General. They are:

- *USM II-2.30—Policy on Sick and Safe Leave for Faculty Members*
- *USM VII-7.45—Policy on Sick and Safe Leave for Nonexempt and Exempt Staff Employees*
- *USM VII-1.40—Policy on Contingent Status Employment for Nonexempt and Exempt Staff Employees*
- *USM VII-x.xx—Policy On Sick and Safe Leave for Certain Eligible Contingent Category I and Other Part-Time, Hourly, or Non-Regular Staff and Student Employees*

ALTERNATIVE(S): The Committee could choose to recommend that the Board not approve the proposed policy amendments or could recommend alternatives to the proposed amendments.

FISCAL IMPACT: It is expected that the proposed amendments could result in very modest increases in leave usage, which could indirectly result in minimal cost increases.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed amendments to the policies.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

II – 2.30 - USM POLICY ON SICK AND SAFE LEAVE FOR FACULTY MEMBERS

(Approved by the Board of Regents November 30, 1989; amended June 21, 2013; amended February 14, 2014; amended xxxxx xx, 2019)

I. I.—PURPOSE AND APPLICABILITY

- A. The purpose of this policy is to:
1. Provide an informal system of colleague substitution for short-term incapacity of instructional faculty. This practice protects the interests of students by preventing disruptions to students’ instructional programs during periods when the instructor must be on leave for illness or other reasons covered by this policy.
 2. Provide a regularized and equitable basis for determining the eligibility of faculty members to be compensated when unable to work for reasons of mental or physical illness, injury, medical condition ^[BE1], injury, childbirth, the need to care for a newborn or adopted child or an ill immediate family member, or bereavement; or when an absence is due to domestic violence, sexual assault, or stalking, pursuant to the Maryland Healthy Working Families Act.
 3. Address the State law standards for the application of accrued sick leave to a faculty member’s service credits for retirement.
- B. This policy applies to tenured and tenure track full-time faculty, non-tenure track instructional faculty, as defined by USM BOR Policies II-1.05 and II-1.06, and other faculty whose letters of appointment expressly provide that the faculty member is eligible for sick leave.

H. H.—COLLEGIAL SICK LEAVE

- A. **Underlying Principle.** It is the responsibility of the institution to have an agreed-upon procedure for continuing instruction when faculty members are absent for any reason, including illness, injury, or childbirth. Once instruction is underway, it is important to have it continued with minimal interruption to protect the interests of students. Thus, when a faculty member is absent for brief periods because of illness, injury, or childbirth, the “collegial” method of accommodating faculty absence is preferred.
- B. **Definition.** “Collegial” leave is a form of collegially supported leave in which the colleagues of the faculty member, on a voluntary basis, assume responsibilities for an absent member’s classes and other essential functions, in addition to carrying on their regular work.

C. **Non-Creditable Leave.** Collegially ~~sick~~ leave is not credited toward retirement and cannot be carried over to a subsequent fiscal year.

D. **Availability.** Collegial leave is available to a faculty member as follows:

1. When practicable, it is available up to a maximum of twenty-five (25) work days for each faculty member in one fiscal year. After that time, ~~creditable~~ ~~creditable-sick~~ Sick and Safe Leave (“SSL”) shall be charged.
2. The maximum collegially supported leave available to a faculty member during the summer is one-seventh (1/7) of the contract period. This will be included as part of the faculty member’s yearly limit.
- ~~3.—~~ An eligible faculty member, appointed for at least a semester but less than an academic year, may receive no more than half of the collegial protection awarded persons who are appointed for an academic year. Faculty appointed for periods of less than one semester may not receive collegial benefits.
- ~~3.~~
4. Collegially supported leaves for an individual faculty member in two fiscal years must be separated by active service of at least twenty-five (25) work days.

~~E.—~~ **E. Relationship to Regular Sick and Safe Leave SSL.** ~~After that time~~ If an absence occurs after a faculty member has utilized all available collegial leave, the faculty member’s creditable-sick leave SSL or other accrued leave shall be charged. ~~If the absence continues after the faculty member has utilized all available collegial leave, regular sick leave or other accrued leave will be charged.~~

~~F.E.~~

III. ~~CREDITABLE SICK AND SAFE LEAVE (“SSL”)~~ [BE2]

A. **Definition.** ~~Creditable-sick leave~~ SSL is leave that is accrued during the course of the faculty member’s service and, subject to ~~the conditions described in Section III.C of this policy~~ Maryland law, may be credited toward the faculty member’s service for retirement benefit purposes. [BE3] SSL does not include Collegial leave.

B. **Accrual.** [BE4]

1. ~~Creditable-sick and safe leave for faculty~~ SSL is accrued at the rate of 1.25 work days per month at full salary. Accrual of ~~sick leave~~ SSL for summer employment by academic-year faculty is determined by the institution. In no case may an individual accrue more than fifteen (15) days of ~~sick and safe leave~~ SSL during any fiscal year.

2. Part-time faculty members who are employed at least 50 percent time are eligible for ~~sick leave~~ SSL benefits proportionate to the percentage of their employment.

a)

~~2.3.~~ Individuals eligible to earn ~~sick and safe leave credits~~ SSL will accrue such ~~credit for leave~~ each calendar month in which they are on paid status for fifteen (15) or more days within that month. No ~~sick and safe leave credit~~ SSL will be accrued for any month during which the individual is on paid status for less than fifteen (15) days.

~~3.~~ Sick leave SSL is accrued while the individual is on sabbatical leave, but not while on leave without pay.

4.

~~5.~~ A faculty member may be required to provide medical verification to support the use of accrued sick leave. ^[BE5]

~~6.5.~~ When all accrued ~~sick and safe leave~~ SSL has been expended ^[BE6] ^[CS7], and as authorized by the Family Medical Leave Act and related USM policies and consistent with the requirements of the Americans with Disabilities Act, the individual will be removed from salaried status, except in unusual circumstances as approved by the President. The institution will assist the faculty member in evaluating the options of modified duty, disability retirement, regular retirement, or disability insurance as appropriate.

~~7.6.~~ If there is a break in an individual's employment with the State of Maryland of less than three (3) years, ~~a sick leave balance~~ any unused SSL balance will be restored.¹ A leave of absence without pay is considered a break in employment. ~~Sick and safe leave~~ SSL balances may be brought to the University System from another State agency.

~~C.~~ Sick and Safe Leave SSL Creditable as a Retirement Benefit. ^[BE8] Unused ~~creditable sick leave~~ SSL may be credited toward a faculty member's service for retirement benefit calculation purposes under conditions specified in Maryland law at Ann. Code Md. Code Ann., State Personnel and Pensions Article Section § 20-206 and related statutes. Unused SSL may not be credited toward retirement for those faculty members who participate in the Optional Retirement Plan. as follows:

~~1. Members of the Maryland Employees' or Teachers' pension or retirement systems.~~ For faculty members enrolled in the Maryland State retirement and pension systems, who retire within thirty (30) days after leaving employment with the USM or another participating governmental unit, ~~unused creditable sick and safe leave is applied toward the individual's retirement service credit, as follows:~~

¹ Any SSL that was used to provide creditable service for any employee pursuant to Maryland Annotated Code (Md. Code Ann.), State Personnel and Pensions Article, Section 20-206 shall be treated as leave that has been used and is not eligible for restoration.

~~a. In the case of an individual who was hired prior to July 1, 2011, and resigns after at least five (5) years of employment, and leaves contributions with the Maryland State retirement system, any unused creditable sick leave will be “vested”, that is, it will be credited toward retirement benefits when the employee begins to draw benefits.~~

~~b. In the case of an individual who was hired on or after July 1, 2011, and resigns after at least ten (10) years of employment, and who leaves contributions with the Maryland State retirement system, any unused creditable sick and safe leave will be “vested.”~~

~~c. Unused sick and safe leave may not be credited toward eligibility service in the case of an early retirement, nor does it alter an early retirement reduction factor.~~

~~d. A faculty member who returns to employment after retirement and is receiving Maryland State Retirement System benefits may not receive creditable service toward retirement for any sick and safe leave accrued after the return to employment.~~

~~2. **Members of the Optional Retirement Plan.** Sick and safe leave accrued by faculty members who are members of the Optional Retirement Plan is not creditable toward retirement.~~

~~C. 3. There is no cash payment for accrued, unused sick and safe leaveSSL at the termination of ——— employment, regardless of whether the accrued sick leaveSSL may be creditable toward retirement.~~

~~D. **Use of Accrued Creditable Sick and Safe LeaveSSL.** Subject to the use limitation in Section III.D.5, i In addition to using non-creditable “collegial” sick leave, a faculty member may accrue and use accrued creditable sick and safe leaveSSL as provided in this section.~~

~~1. **Employee’s Personal Health.** Creditable sick and safe leaveSSL is available may be used when a faculty member is absent because of:~~

~~a. To care for or treat the faculty member’s mental or physical illness, injury, or condition or disability; or~~

~~b. A medical appointment To obtain preventive medical care for the faculty member that cannot be scheduled during non-work hours.~~

~~2. **Care of Ill Family Members.** Creditable sick and safe leave is available for a faculty member SSL may be used in cases of to care for a family member with a mental or physical illness, s or injury, or condition, in the faculty member’s immediate family and medical appointments or to obtain preventive medical care for an immediate family member that cannot be scheduled during non-work hours.~~

~~2.~~

~~a. “Immediate Family member” family as used in this policy means:~~

~~a.~~

~~i. the faculty member’s:~~

~~a) child, adopted child, foster child, or step child; ~~or~~ a child for whom the employee has legal or physical custody or guardianship; or a child~~

for whom the employee stands *in loco parentis*, regardless of the child's age;

- b) legal guardian;
- c) grandparent, adopted grandparent, foster grandparent, or step grandparent;
- d) grandchild, adopted grandchild, foster grandchild, or step grandchild;
- e) sibling, adopted sibling, foster sibling, or step sibling; or
~~any other relative who permanently resides in the employee's household for whom the employee has a legal obligation to provide care;~~
- f) spouse; and

ii. the faculty member's or spouse's:

- a) parent, adoptive parent, foster parent, step parent; or
- b) an individual who acted as the parent, or who stood *in loco parentis*, when the faculty member or spouse was a minor.

~~A spouse, child, step child, grandchild, mother, father, mother in law, father in law, brother, sister, grandparent, brother in law, sister in law, or legal dependent of the faculty member; or Any other relative who permanently resides with and is cared for by the faculty member.~~

~~The faculty member may be required to provide medical verification and other documentation to support the need to use sick and safe leave care for a family member.~~^[BE9]

3. Bereavement. For the death of a close relative, a faculty member may use up to three (3) days of accrued ~~sick leave~~SSL, or five (5) days if the death of a close relative requires a faculty member to travel and stay away from home overnight.

3.

- a. "Close relative" as used in this section of the policy means: a spouse, child, step-child, parent (or someone who took the place of a parent), mother-in-law, father-in-law, brother, sister, brother-in-law, sister-in-law, or other relative who permanently resided in the faculty member's household.
~~a.~~
- b. A faculty member may use one (1) day of ~~sick leave~~SSL for reasons related to the death of an aunt, uncle, niece or nephew of the faculty member or his or her spouse.

4. **Childbirth and Parental Leave.**

- a. ~~A female faculty member may use A~~ accrued sick and safe leave SSL may be used for medical conditions related to pregnancy or childbirth and its immediate physical recovery.
- b. Accrued ~~sick leave also~~ SSL may be used to care for a child within six months following the birth of a child or placement of ~~at~~ the child with the faculty member for adoption.
- ~~b.c.~~ ~~, subject to the provisions of the~~ Accrued SSL may be used for Parental Leave, subject to the provisions of ~~-USM Faculty Parental Leave Policy BOR II-2.25, Policy on Parental Leave and Other Family Supports for Faculty.~~ [BE10]

5. **Safe Leave.** Up to eight workdays per year (i.e., 64 hours per year [CS11]) of ~~sick and safe leave~~ SSL may be used for the following purposes: domestic violence, sexual assault, or stalking committed against the ~~employee~~ faculty member or the ~~employee~~ faculty member's family member, if the leave is being used:

- a. ~~To~~ obtain for the ~~employee~~ faculty member or the ~~employee~~ faculty member's family member:
 - i. ~~_____~~ medical or mental health attention that is related to the domestic violence, sexual assault, or stalking;
 - ii. ~~_____~~ services from a victim services organization related to the domestic violence, sexual assault, or stalking; or
 - iii. ~~_____~~ legal services or proceedings related to or resulting from the domestic violence, sexual assault, or stalking; or
- b. ~~De~~ during the time that the ~~employee~~ faculty member has temporarily relocated due to the domestic violence, sexual assault, or stalking.

6. **Verification.** A faculty member may be required to provide verification that the SSL was used for purposes provided in Section III.D (except for bereavement) if:

- a. The faculty member uses SSL for more than two consecutive work days; or
- b. The faculty member uses SSL during the period between the first 107 and 120 calendar days (both inclusive) of employment and the employment agreement, contract, or appointment letter stipulates that such verification shall be required. [BE12]

IV. REPORTING

- A. Each faculty member, regardless of the source of funding or retirement system in which he or she is enrolled, who is employed at least 50 percent time, must complete monthly positive time reports and sign the fiscal year summary record unless an exemption has been requested by the individual and approved by the President. When an exemption is approved, the faculty member thereby waives all claims from that date forward to credit any unused sick

leave toward retirement benefits. With the approval of the President, the faculty member may revoke his or her exemption, and unused sick leave earned from the time of revocation forward ~~will~~ may be credited toward retirement.^[BE13]^[CS14]

- B. Each institution shall establish procedures for positive time reporting by faculty. The institution shall retain monthly time reports for each individual for five (5) years, and shall retain summary records of these reports until the individual leaves employment.

VII – 7.45 - POLICY ON SICK AND SAFE LEAVE FOR NONEXEMPT AND NONEXEMPT STAFF EMPLOYEES

(Approved by the Board of Regents December 5, 1997; amended June 22, 2012; Amended by the BOR February 14, 2014; Amended by the BOR xxxxxx xx, 2019)

I. PURPOSE AND APPLICABILITY

This policy governs the accrual and use of sick and safe leave, and applies to all Regular Status Exempt and Nonexempt employees of the University System of Maryland who are appointed at least 50% time, except to the extent that the provisions of a collective bargaining agreement between an Institution and one of its bargaining units provides otherwise. [LK1] [BE2]

II. GENERAL

A. Sick and safe leave (“SSL”) [LK3] is paid leave granted to employees in an effort to provide some protection against the loss of earnings due to absences for health and allied reasons; and when certain absences are necessary due to domestic violence, sexual assault, or stalking, pursuant to the Maryland Healthy Working Families Act and the provisions of this Policy.

B. A full-time employee shall earn sick SSL leave at the rate of fifteen (15) eight-hour workdays per year (i.e. 120 hours per year), accrued on a biweekly basis. Employees who are appointed at lea [LK4] st 50% time shall earn SSL sick leave on a pro rata basis. SSL sick leave is accumulated and carried forward from year to year without limit. [LK5]

~~C. An employee may use on a continuous basis earned leave (sick, annual and personal leaves), advanced sick leave, extended sick leave, leave granted through the leave reserve fund, or unpaid family medical leave, as needed for personal illness, injury, or condition; or for parental leave, subject to the requirements and criteria of the USM “Policy on Parental Leave and other Family Supports for Staff” (VI 7.49) (“Parental Leave Policy”), and other applicable USM policies.~~ [BE6]

C. An employee may request that his/her mental or physical [LK7] illness, injury, or condition disability occurring during a period of annual or personal leave(s) be charged to SSL sick leave. Verification ~~of such illness, injury, or disability~~ may be required by the President or designee as provided in Section IV of this Policy.

~~An employee who returns to regular USM service within three (3) years of separation shall have the unused sick leave earned during the prior service restored, provided the employee returns to a position eligible to earn sick leave.~~

D. An employee who returns to regular USM service within three (3) years of separation shall have the unused sick and safe leave earned during the prior service restored, provided the employee returns to a position eligible to earn sick leave, pursuant to the

provisions of USM "Policy on Reemployment and Reinstatement for Nonexempt and Exempt Staff Employees" (VII-9.61).¹

~~D.~~

E. Except as otherwise noted in this Policy, "family member" is defined as:

1. the employee's:

a) child, adopted child, foster child, or step child; ~~or a child for whom the employee has legal or physical custody or guardianship; or a child for whom the employee stands in loco parentis, regardless of the child's age;~~

b) legal guardian;

c) grandparent, adopted grandparent, foster grandparent, or step grandparent;

d) grandchild, adopted grandchild, foster grandchild, or step grandchild;

e) sibling, adopted sibling, foster sibling, or step sibling; or

~~any other relative who permanently resides in the employee's household for whom the employee has a legal obligation to provide care;~~ [BE8]

f) spouse; and

2. the employee's or spouse's:

a) parent, adoptive parent, foster parent, step parent; or

b) an individual who acted as the parent, or who stood in loco parentis, when the employee or spouse was a minor.

F. An employee's use of SSL for the reasons set forth in Section III.A.5 below is limited to eight, eight-hour workdays per year (i.e. 64 hours per year).

III. PERMISSIBLE USE OF SICK AND SAFE LEAVE

~~E.A.~~ SSL sick leave shall be granted by the President or designee when an employee is absent because of:

1. Mental or physical illness, injury, or condition disability of the employee.

¹ Any SSL that was used to provide creditable service for any employee pursuant to Maryland Annotated Code (Md. Code Ann.), State Personnel and Pensions Article-, Section 20-206 shall be treated as leave that has been used and is not eligible for restoration.

2. A pre-scheduled and approved, or emergency medical appointment, examination, or treatment for the employee with an accredited, licensed or certified medical provider listed in Section V.C. of this Policy that cannot be scheduled during non-work hours.

3. ~~Mental or physical illness, injury, or condition of~~ the employee's ~~family member~~ ~~member~~, and medical appointments, examinations or treatments for the ~~immediate~~ family member with an accredited, licensed or certified medical provider listed in Section V.C. of this Policy that cannot be scheduled during non-work hours.

~~4.~~

~~Parental Leave, subject to the provisions of the Parental Leave policy.~~

a) ~~Immediate family as used in this section of the policy shall mean a spouse, child, step-child, grandchild, mother, father, mother in law, father in law, brother, sister, grandparent, brother in law, sister in law, or legal dependent of the employee irrespective of residence. Use of sick leave shall also be granted to care for any other relative who permanently resides in the employee's household for whom the employee has an obligation to provide care.~~

~~3.~~

b) ~~The President or designee may require an employee to provide certification by a medical provider listed in Section V.C of this policy to demonstrate this obligation or to authenticate the need for the employee to care for the ill family member.~~

4. Death of a relative.

a) For the death of a close relative, the President or designee shall grant the use of up to three (3) days of accrued ~~SSL sick leave~~. If the death of a close relative requires an employee to travel, requiring staying away from home overnight, upon request the President or designee shall grant the use of up to a maximum of five (5) days of accrued ~~sick leave~~ ~~SSL~~ for this purpose.

b) ~~“Close relative” as used in Section III.A.45. in this section of this policy shall mean a spouse, child, step-child, mother, father (or someone who took the place of a parent), mother-in-law, father-in-law, grandparent of the employee or spouse, grandchild, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, or other relative who permanently resided in the employee’s household.~~ [BE9]

c) The President or designee shall grant the use of up to a maximum of one (1) day of ~~SSL sick leave~~ for reasons related to the death of the employee’s or his/her spouse’s aunt, uncle, niece, nephew.

5. ~~Subject to the use limits set forth in Section II.F above, d~~ ~~Domestic violence, sexual assault, or stalking committed against the employee or the employee’s family member, and the SSL is being used:-~~

a) ~~to obtain for the employee or the employee’s family member:~~

i. medical or mental health attention that is related to the domestic violence, sexual assault, or stalking;^[BE10]

ii. services from a victim services organization related to the domestic violence, sexual assault, or stalking; or

iii. legal services or proceedings related to or resulting from the domestic violence, sexual assault, or stalking; or;

~~-b) During the time that the employee has temporarily relocated due to the domestic violence, sexual assault, or stalking.~~^[LK11]

~~6. Parental Leave, subject to the provisions of the USM "Policy on Parental Leave and other Family Supports for Staff" (VI-7.49) Parental Leave policy.~~

~~7. Pregnancy-related disabilities, childbirth, and immediate recovery there from.~~^[BE12]

~~5.~~^[LK13]

~~A female employee may request the use of accrued sick leave for any period of time related to temporary disability during pregnancy or related to childbirth and immediate physical recovery there from.~~

~~A female employee planning to request the use of sick leave for the purposes listed in this subsection shall be governed by the provisions of this policy.~~

~~The employee shall keep the President or designee informed of any changes to her condition which affect the length of time that she will need to be away from work.~~

~~8. Birth of a child or placement of a child with the employee for adoption within six months following birth or adoption.~~

~~^[LK14]Accrued sick leave may be used to care for a child following the birth of a child or placement of the child with the employee for adoption, subject to the provisions of the USM Parental Leave Policy.~~

~~III~~.IV. DIRECTED USE OF ~~SICK LEAVE~~SSL/MEDICAL EXAMINATIONS

- A. The President or designee, in accordance with the Institution's policy on Family and Medical Leave, may direct an employee to use accrued ~~sick leave~~SSL if he/she determines that an employee is unable to perform the responsibilities of his/her position due to mental or physical illness, injury, or condition. ~~disability~~.

B. While in either active work status or on any type of employee-related ~~sick leave~~ SSL, an employee may be required to undergo a medical examination(s) and evaluation(s), and may be required to provide verification of fitness for duty, as directed by the President or designee to ascertain whether the employee is able to regularly and routinely perform the responsibilities of his/her position.

1. If the examination is conducted by a physician selected by the USM Institution, the Institution shall bear the costs of such medical examination. The employee may, however, see his/her own physician at the employee's own cost.
2. If the examination(s) reveal that an employee is unable to regularly and routinely perform the responsibilities of his/her position, action may be taken by the President or designee in accordance with policies on voluntary separation, termination, reasonable accommodation, modified duty or disability retirement, if applicable.

~~3.~~ 3. In cases where there is a conflict between the evaluation, prognosis, diagnosis or recommendation of the employee's personal health care provider and the physician selected by the USM Institution, the President or designee may choose which health care provider's report to follow; or may require subsequent medical examinations and evaluations in deciding what steps should be taken regarding the employee's sick leave status or continued employment. If subsequent medical examinations and evaluations are required, the expense of such shall be borne by the USM Institution. The decision of the President or designee is final.

IV.V. VERIFICATION OF ABSENCES CHARGED TO SSL SICK LEAVE

- A. In order to assure medical attention for an employee or to prevent the abuse of ~~SSL-sick leave usage~~, the President or designee may require an employee to submit verification of the need to use ~~of~~ accrued ~~SSL sick leave~~, advanced or extended sick leave, including to authenticate the need for the employee to care for an ill family member.
- B. Verification may include, but may not be limited to:
 1. A written statement from the medical provider (as listed in Section IV.C. of this Policy) indicating that the employee is required to be absent from work due to mental or physical illness, injury, or condition;
 2. The duration of absence from work;
 3. Prognosis of employee's ability to return to work;
 4. Title and original signature of an accredited, licensed or certified medical provider;

5. Documentation of the birth or ~~adoption of a placement of the employee's child with the employee for adoption or foster care; and, if sick leave is requested under the Parental Leave Policy; and~~
 6. Any other information necessary to verify that the employee's use of SSL -sick leave is in accordance with this Policy and other applicable USM policies;
- C. Medical verification as outlined in this Policy may be obtained by an accredited Christian Sciences practitioner, or by the appropriate of any of the following licensed or certified medical providers:
1. Physician;
 2. Physical Therapist;
 3. Clinical Psychologist;
 4. Dentist;
 5. Oral Surgeon;
 6. Chiropractor;
 7. Podiatrist;
 8. Certified Nurse Practitioner;
 9. Certified Nurse-Midwife; ~~or~~
 10. Licensed ~~Clinical Certified~~ Social Worker ^[BE15];
 - ~~10. Clinical~~
 11. Licensed Clinical Professional Counselor;
 12. Optometrist;
 13. Physician Assistant; or
 14. Any other health care provider from whom the Institution's group health plan's benefits manager will accept certification of the existence of a Serious Health Condition to substantiate a claim for benefits pursuant to the provisions of USM "Policy on Family and Medical Leave for Nonexempt and Exempt Staff Employees" (VII-7.50). ^[LK16]

V.VI.ADVANCED SICK LEAVE

- A. An employee who sustains a temporary, recoverable mental or physical illness, injury, or serious ^[BE17] condition, or serious disability ~~or who is ineligible for paid parental leave under the Parental Leave Policy~~ may request advance use of sick leave ("Advanced Sick Leave" or "ASL"), subject to the following ~~four~~ conditions:

The employee shall:

1. hHave exhausted all other types of accrued leave; and
2. hHave a satisfactory record of ~~sick leave usage and work~~ performance ^[LK18] and no record of sick leave or SSL abuse.

- B. ~~Advanced sick leave~~ Advanced Sick Leave is not an entitlement. The granting of requests for ~~advanced sick leave~~ ASL shall be at the discretion of the President or designee based on operational needs and the employee's record of work performance and record of sick leave or SSL abuse.
- C. ~~Advanced sick leave~~ ASL shall not be granted in instances where the mental or physical illness, ~~or injury,~~ or condition, or serious disability occurred on the job, and the employee has been granted accident leave or temporary total disability benefits by the Workers' Compensation Commission.
- D. Written requests for ~~advanced sick leave~~ ASL shall be submitted to the President or designee and shall be supported by written verification by an accredited, licensed, or certified medical provider or appropriate documentation of the birth or adoption of a child, if the employee is requesting parental leave, as outlined in Sections IV.B and IV.C of this Policy.
- E. Sick leave may be advanced as follows:
1. In the first year of service, ~~A~~ advanced Sick Leave will be prorated based upon the employee's length of service and FTE at the time ~~it is~~ the ASL is requested.
 2. Thereafter, ~~advanced sick leave~~ ASL is advanced at the rate of fifteen (15) working days per year of service to a maximum of sixty (60) working days in any one calendar year;
- F. The use of ~~advanced sick leave~~ ASL constitutes a debt for which payment shall be enforceable upon the employee's return to work or upon the employee's separation from employment, whichever is earlier. Upon return to work the minimum rate of payback for ~~advanced sick leave~~ ASL shall be at one-half the rate that ~~sick leave~~ SSL and annual leave ~~is-are~~ earned. An employee may elect to pay back ~~the ASL advanced sick leave~~ debt by applying any earned leave to the debt, or by reimbursing the USM with cash.
- G. Annual, sick and holiday leaves earned, and personal leave credited while on ~~ASL~~ advanced sick leave shall be applied as earned/credited.
- H. Additional requests for ~~advanced sick leave~~ ASL will not be granted until all previously granted ~~advanced sick leave~~ ASL has been repaid. The only exception to this provision is in cases where the maximum amount of advanced sick leave had not been requested originally and additional ~~advanced sick leave~~ ASL, consecutive to that already granted, is needed to cover the employee's continued absence arising from the original mental or physical illness, injury, or condition ~~disability~~.
- I. The President or designee may refer an employee who is on advanced sick leave as follows:
1. The employee may be referred to an USM Institution-named physician for periodic examinations to determine the nature and extent of the illness, the employee's progress

toward recovery, the length of time necessary for recovery, and an estimated date of return to work.

2.—If there is a conflict between the employee's physician and the USM Institution-named physician, the provisions of Section ~~IV~~H.B.3 shall apply.

2.

~~VI~~VII. EXTENDED SICK LEAVE

- A. An employee who is appointed at least 50% time and who sustains a temporary, recoverable mental or physical illness, injury, or ~~serious condition~~^[BE19], or serious disability or is eligible for parental leave under the Parental Leave Policy^[BE20] may request Extended Sick Leave (“ESL”), subject to the ~~three~~ following conditions:

The employee shall:

1. hHave been in USM and/or State service for at least five (5) years;
 2. hHave exhausted all types of accrued leave and Aadvanced Ssick LLeave; and
 3. hHave a satisfactory record of ~~sick leave usage and~~ work performance^[LK21] and no record of sick leave or SSL abuse.
- B. ~~Extended sick leave~~Extended Sick Leave is not an entitlement. The granting of requests for ~~extended sick leave~~ESL shall be at the discretion of the President or designee based on operational needs and the employee’s record of work performance and record of sick leave or SSL abuse.
- C. The maximum cumulative total of ~~ESL~~extended sick leave available to an employee while in USM or State service is twelve (12) work months (52 work weeks).
- D. Annual, sick and holiday leave earned, and personal leave credited while on ~~extended sick leave~~ESL shall be applied as earned/credited.
- E. Written requests for extended leave shall be submitted to the President or designee and shall be supported by written verification by an accredited, licensed or certified medical provider as outlined in Section ~~s IV . B. and IV.C.~~ of this Policy.
- F. The President or designee may refer an employee who is on ~~extended sick lea~~ESL as follows:
1. The employee may be referred to an Institution-named physician for periodic examinations to determine the nature and extent of the illness, the employee's progress toward recovery, the length of time necessary for recovery, and an estimated date of return to work.

~~2.~~—If there is a conflict between the employee's physician and the Institution-named physician, the provisions of Section ~~III.B.3.IV.B.3.~~ shall apply.

~~2.~~__

~~VII.~~VIII. OTHER

~~—For other related policies, please see Parental Leave Policy, Policy on Leave without Pay, Policy on Leave Reserve Fund, Policy on Family and Medical Leave, and Policy on Accident Leave.~~USM Human Resources policies are available on the USM's website at <https://www.usmd.edu>.

IMPLEMENTATION PROCEDURES:

Each President shall identify his/her designee(s) as appropriate for this policy, develop procedures as necessary to implement this policy, communicate this policy and applicable procedures to his/her Institutional community, and post it on its Institutional website.

VII - 1.40 - POLICY ON CONTINGENT STATUS EMPLOYMENT FOR NONEXEMPT AND EXEMPT STAFF EMPLOYEES

(Approved by the Board of Regents December 13, 1996; Amended, February 9, 2001; Amended, July 10, 2002; Amended, October 22, 2004; Amended October 9, 2015; [Amended xx xxx, 2019](#))

I. PURPOSE

Establishes a USM policy on the appointment and compensation of individuals for Contingent Status employment including, in some instances, the provision of certain benefits.

II. DEFINITIONS

- A. Contingent Category I - Any Contingent Status employee whose written agreement (contract) is for a term of six months or less regardless of the percentage of time worked and regardless of whether it is seasonal or intermittent in nature (works “if and when needed”).
- B. Contingent Category II - Any Contingent Status employee whose written agreement (contract) is for more than six months, but no more than 12 consecutive months; and is on a fulltime basis or on a part-time basis of 50% or more of fulltime employment; and is not seasonal or intermittent in nature
- C. Contingent Status Employment - A Non-Regular Status of employment for Nonexempt or Exempt Staff positions in the USM.
- D. Contingent Status Employee - A person (non-faculty employee) who (1) pursuant to a written agreement, provides personal services to an institution for pay; (2) is not employed as a Regular Status employee in a budgeted position; (3) whose compensation, terms and conditions of employment are governed by this policy and a written contract and not by the USM policies generally applying to Regular Status Nonexempt and Exempt staff; and (4) has an employer-employee relationship with the institution in which the institution furnishes necessary supplies and equipment, and a place to work; has the right to control and direct the details, means and results of the performance of the services; and has the right to discharge the person from employment.
- E. Family Member –
 - a. The employee’s:
 - a. Child, adopted child, foster child, or step child; a child for whom the employee has legal or physical custody or guardianship; or a child for whom the employee stands *in loco parentis*, regardless of the child’s age;
 - b. Legal guardian;

- c. Grandparent, adopted grandparent, foster grandparent, or step grandparent;
- d. Grandchild, adopted grandchild, foster grandchild, or step grandchild;
- e. Sibling, adopted sibling, foster sibling, or step sibling; or
- f. Spouse; and

F. The employee's or spouse's:

- a. Parent, adoptive parent, foster parent, step parent; or
- a-b. An individual who acted as the parent, or stood *in loco parentis*, when the employee or spouse was a minor.

III. TERMS AND CONDITIONS

A. All Contingent Status employees:

1. must meet the minimum qualifications for the position;
2. shall be paid at a rate that at least meets the minimum of the pay range for the position's job class. Other compensation changes must be made in accordance with the Chancellor's Salary Guidelines.
3. shall not have any grievance rights under any State, University System of Maryland, or Institutional policy, unless such policy specifically provides otherwise;
4. shall not be entitled to participate in the State Pension System or the USM Optional Retirement Program;
5. shall be covered by applicable Federal and State of Maryland Equal Employment Opportunity and Affirmative Action laws and other applicable USM employee protection policies; and
6. will be considered for a regular status vacancy in the same or a similar classification, if they should decide to apply.

B. Each written agreement (contract) for a Contingent Status employee shall specify:

1. the appropriate contingent category: Category I or Category II. If it is a Category I appointment, it shall specify whether it is Seasonal or Intermittent or percentage of time worked;
2. the salary/hourly rate of pay;
3. the duration of the contract, including a provision that both the employee or employer have the right to terminate the agreement for any reason following notice as specified in the agreement;

4. the duties to be performed; and
5. the specific benefits and rates of leave accrual provided.

IV. CATEGORIES OF CONTINGENT STATUS EMPLOYMENT

Agreements for contingent status employment shall not be offered on terms which are not included in one of the two categories of contingent status employment as follows:

A. Contingent Category I Employees:

1. shall not be required to be hired through competitive recruitment or selection;
2. shall not be entitled to receive fringe benefits except as required by the Patient Protection and Affordable Care Act (PPACA) [and the Maryland Healthy Working Families Act.](#) ^(BE1)
3. may have their contract renewed indefinitely by executing new contracts of up to six months at a time for 49% or less of fulltime employment. However, if they have contracts of 50% or more of fulltime employment lasting for a period of six consecutive months, they shall be eligible for contract renewal to a lifetime maximum of 12 months under Contingent Category I in that position.
4. shall not be entitled to receive service credit for the time served in this category unless they have worked 50% or more of fulltime, on a consecutive basis, immediately preceding appointment to a Regular Status position through a competitive process. The term “service credit” is not applicable to any retirement rights;
5. shall have the mandatory payroll deductions and mandatory employer paid subsidies as described in Sections V.A.6.and 7. below.

B. Contingent Category II Employees:

1. are required to be hired through competitive recruitment and selection;
2. shall be entitled to receive at least the minimum benefits as specified in this policy (Section V.A.);
3. subject to paragraph IV.B.6., may have their contract renewed by executing new contracts of up to one year at a time;
4. shall be entitled to service credit for the time served in this category, if appointed, without a break in service, as a Regular Status employee. The term “service credit” is not applicable to any retirement rights;

5. shall be given a written performance evaluation under the USM's Performance Management Program guidelines (USM-BOR VII-5.20).
6. may be eligible for employment status conversion:
 - a. after three consecutive years of service in the Contingent Category II at the same institution, Contingent Category II employees who remain employed by the institution shall be converted to a Regular Status position, subject to all the policies and procedures of Regular Status employees.
 - b. This provision does not apply to employees in positions funded through a Research/Service Grant or Contract, or through Clinical Revenue; Athletic Coaches; employees on internships; and those employees who have chosen not to be converted to Regular Status employment.
7. who are converted to Regular Status without a break in service will have contingent time served in the current position counted toward probationary period.

V. BENEFITS

- A. The minimum benefits to be provided to Contingent Status employees, on an annual basis, are listed below. These benefits shall be pro-rated for contracts of less than one year and for less than fulltime employment.

1. Basic Leave Benefits:

Contingent Category II employees are eligible for paid leave, as follows:

a. ~~which includes~~ Five (5) days of annual leave; the following eight (8) holidays: New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day, and Christmas Day; ~~and~~ three (3) days of sick ~~and safe~~ leave ("SSL").

b. ~~Annual leave and SSL (sick leave is defined as leave are available to the extent accrued and available, and may be used for the following purposes: including~~[BE2]:

i. ~~To care for or treat the employee's mental or physical illness, injury, or condition;~~

ii. ~~To obtain preventative medical care for the employee, or the employee's family Member~~[BE3]:

- iii. To care for a Ffamily Mmember with a mental or physical illness, injury, or condition;²
- iv. For maternity or paternity leave within six months of the birth or adoption of a baby;[BE4]
- v. ~~If~~The absence from work is necessary due to domestic violence, sexual assault, or stalking committed against the employee, or the employee's Ffamily Mmember, and the leave is being used: (1) to obtain for the employee or the employee's Family Member medical or mental health attention related to the domestic violence, sexual assault, or stalking; to obtain~~(2) to obtain for the employee or the employee's Family Member services from a victim services organization related to the domestic violence, sexual assault, or stalking;~~(2) to obtain for the employee or the employee's Family Member services from a victim services organization related to the domestic violence, sexual assault, or stalking;~~(3) for to obtain for the employee or the employee's Family Member legal services or proceedings related to or resulting from the domestic violence, sexual assault, or stalking; or~~(4) during the time that the employee has temporarily relocated as a result of~~due to the domestic violence, sexual assault, or stalking.~~

c. to the employee when the employee is sick or is needed to care for the employee's sick spouse, child or legal dependent; and it only may be used in accordance with institutional policies that govern use of sick leave for Regular Status employees); and~~L~~leave for jury duty as called to serve or other leave for which the institution has granted approval.

d. Additionally, individual contracts shall address whether leave that is not used by the end of the contract term can be carried over to another contract; whether the institution shall pay the employee for it, with the exclusion of sick leave~~SSL~~; or whether it is forfeited.

a.e. Institutions shall keep a record of an employee's accrued but unused SSL balance on the effective date of separation. If the employee is re-hired in the USM within 37 weeks after leaving the employment of an institution, any accrued but unused -SSL that was available immediately prior to separation shall be restored.[BE5] Any such leave may only be used in accordance with USM policy.

2. Health Insurance Program and Prescription Plan:

Certain Contingent Category I and II employees may participate in the State Health Insurance programs and Prescription Plan that are available to State employees. Participation shall be in accordance with regulations of the State Department of Budget and Management and any applicable Federal rules and regulations.

3. USM or Institution-Sponsored Insurance Programs:

Contingent Category II employees may participate in USM or Institution sponsored insurance programs (e.g., long-term disability; life insurance; health insurance) by paying 100% of the premiums directly to the provider.

4. Tuition Remission:

Contingent Category II employees may participate, at their home institution only, in the USM's Tuition Remission program.

5. Tax Deferred Programs:

Contingent Category I and II employees may participate in Supplemental Retirement plans that are approved by the State of Maryland and USM, and as permitted by law and regulations.

6. Mandatory Payroll Deductions:

Contingent Category I and II employees shall have the required mandatory deductions via payroll deduction, e.g., Maryland and Federal Income Tax withholding, and Federal Insurance Contributions Act (FICA) which includes Social Security and Medicare.

7. Mandatory Employer Paid Subsidies:

Contingent Category I and II employees shall have the required mandatory employer paid subsidies, e.g., Unemployment Insurance, Workers Compensation Insurance, and FICA contributions, which include Social Security and Medicare.

B. Negotiable Benefits:

At the discretion of the employing institution, a Contingent Category II employee may be offered benefits supplemental to the minimum benefits listed in Section V.A. above consistent with those available to Regular Status employees in a similarly situated job class and employment category.

C. Other:

Contingent Category I and II employees may participate in other programs with voluntary deductions, e.g., charitable contributions; State Employees Credit Union (SECU).

VI. USM REPORTING REQUIREMENT

In order to monitor the use of this policy, the USM requires the President of each institution to report on an annual basis the usage of contingent employment at their

institutions. The report format shall be provided by the USM-HR Office to the Presidents.

IMPLEMENTATION PROCEDURES

Each President shall identify his/her designee(s) as appropriate for this policy, develop procedures as necessary to implement this policy, communicate this policy and applicable procedures to his/her Institutional community, and post it on its institutional website.

**XXX – x.xx - POLICY ON SICK AND SAFE LEAVE FOR CERTAIN ELIGIBLE
CONTINGENT CATEGORY I AND OTHER PART-TIME, HOURLY, OR
NON-REGULAR STAFF AND STUDENT EMPLOYEES**

(Approved by the Board of Regents xxxxxx xx, 2019)

I. PURPOSE

This policy establishes and governs Sick and Safe Leave (“SSL”) for certain eligible Contingent Category I and other part-time, hourly, or non-regular staff and student employees of the University System of Maryland, pursuant to the Maryland Healthy Working Families Act. Employees covered by this Policy are otherwise ineligible to earn paid leave under any other USM or Institutional policy, procedure, or contract.

II. DEFINITIONS

- A. Sick and Safe Leave (“SSL”) is paid leave that may be used to the extent it is accrued and available, for the following purposes:
1. To care for or treat the employee’s mental or physical illness, injury, or condition;
 2. to obtain preventive medical care for the employee or the employee’s Family Member;
 3. to care for a Family Member with a mental or physical illness, injury, or condition;
 4. for maternity or paternity leave within six months of the birth or adoption of a baby;
 5. the absence from work is necessary due to domestic violence, sexual assault, or stalking committed against the employee or the employee’s Family Member, and the leave is being used: (i) to obtain for the employee or the employee’s Family Member medical or mental health attention related to the domestic violence, sexual assault, or stalking; (ii) to obtain for the employee or the employee’s Family Member services from a victim services organization related to the domestic violence, sexual assault, or stalking; (iii) to obtain for the employee or the employee’s Family Member legal services or proceedings related to or resulting from the domestic violence, sexual assault, or stalking; or (iv) during the time the employee has temporarily relocated due to the domestic violence, sexual assault or stalking.
- B. “Family Member” is defined as:
1. the employee’s:

- a) child, adopted child, foster child, or step child; a child for whom the employee has legal or physical custody or guardianship; or a child for whom the employee stands *in loco parentis*, regardless of the child's age;
 - b) legal guardian;
 - c) grandparent, adopted grandparent, foster grandparent, or step grandparent;
 - d) grandchild, adopted grandchild, foster grandchild, or step grandchild;
 - e) sibling, adopted sibling, foster sibling, or step sibling; or
 - f) spouse; and
2. the employee's or spouse's:
 - a) parent, adoptive parent, foster parent, step parent; or
 - b) an individual who acted as the parent, or who stood *in loco parentis*, when the employee or spouse was a minor.

III. TERMS AND CONDITIONS

A. Eligibility

1. Non-regular, part-time, and hourly staff and student employees who regularly work at least 12 hours per week, or who have at least 30% full-time equivalence in the sum of all positions, and who are otherwise ineligible to earn paid leave under existing USM policies.
2. Employees who regularly work fewer than 12 hours a week are ineligible to earn SSL.

B. Accrual Rate and Limits

1. An employee eligible under this Policy shall earn SSL at a rate of one hour for every 30 hours worked, up to a maximum accrual of 40 hours in a calendar year.
2. SSL shall be accrued in bi-weekly increments. Alternatively, at the institution's discretion, the employee's SSL entitlement may be "front-loaded," i.e., provided at the beginning of an employee's appointment.
 - a) If SSL is accrued in bi-weekly increments, up to 40 hours of accrued but unused SSL may be carried forward into a new calendar year, unless the employee's appointment is funded by a grant or contract that is limited to 1 year and is not subject to renewal.

- b) If the SSL entitlement is front-loaded, carry forward of unused SSL balance into a new year shall not be permitted.
- 3. An employee shall not use more than 64 hours SSL in any calendar year, for any reason. An employee's SSL balance shall not exceed 64 hours at any point in time.
- 4. SSL shall not be used by an employee in the first 106 days of an appointment.
- 5. An employee shall not earn SSL during a 2-week pay period in which the employee worked fewer than 24 hours.
- 6. When an employee separates from USM employment, SSL that is accrued but unused shall be forfeited.
 - a) The institution shall keep a record of the employee's accrued but unused SSL balance on the effective date of separation.
 - b) If the employee is re-hired in the USM within 37 weeks into an SSL-eligible position, any accrued but unused SSL that was available immediately prior to separation shall be restored and added to the employee's SSL leave bank. Any such leave may only be used in accordance with USM policy.

C. Notice Requirements

- 1. An employee is required to provide seven days' notice of a planned SSL absence to their supervisor when the circumstances are foreseeable, i.e., a scheduled medical appointment.
- 2. In the event an SSL absence is not foreseeable, the employee shall notify the supervisor as soon as practicable.
- 3. A supervisor may deny an employee's SSL request if:
 - a) the employee failed to provide the required notice and the employee's absence will cause disruption;
 - b) the stated purpose for requesting SSL is not listed in section II.A..

D. Absence Verification

An employee may be required to provide written documentation that the SSL was used for purposes provided in Section II.A if:

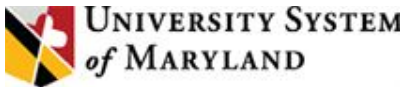
1. the employee uses SSL for more than two consecutive shifts or for more than two consecutive work days; or
2. the employee uses SSL during the first 120 calendar days of employment.

E. Miscellaneous

1. An employee eligible under this Policy shall receive a written appointment letter, contract, or employment agreement that defines key terms and conditions. This shall include how SSL is earned, proper usage, limits, how the employee may check the balance, notice requirements for planned absences, and a statement that the employee must provide written verification that the SSL was used for purposes provided in Section II.A. if used during the first 120 days of employment.
2. Improper use of SSL is prohibited. An institution shall not apply absence control measures when an employee uses SSL in accordance with this Policy, if doing so could lead to an adverse action being taken against the employee.
3. Employees eligible for SSL under this Policy do not have grievance rights under any USM or Institutional policy or collective bargaining agreement. If an employee disputes the manner in which this Policy has been administered to a particular circumstance of theirs, the employee may request in writing a review by the Institution's Human Resources Office within 30 days of the incident that gave rise to the employee's concern. A written response shall be provided to the employee within a reasonable time period.

IV. IMPLEMENTATION PROCEDURES

Each President shall identify their designee(s) as appropriate to implement and administer this Policy, develop procedures as necessary, and communicate this Policy to affected employees, and on the institution's Policy website.



TOPIC: Board of Regents Statement of Values and Expectations on Collaboration and Cooperative Efforts in Acquiring and Implementing New Information Technology and Upgrading Business Processes

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: This item was initially presented at the March meeting of the Committee. After discussion, the Committee instructed the staff to take another look at the Statement of Values and Expectations, and to redraft the document to be much stronger with regard to expectations, process, and timetable. This amended version is provided for the Regents’ consideration.

Each USM institution is either contemplating long-term strategy and plans for upgrading business processes, in many cases utilizing enhancements and efficiencies afforded by new information technology solutions or has a future information technology plan and strategy for improving business processes underway. The aggregate cost of such endeavors is likely to exceed \$300M over the coming decade and represents a significant opportunity to minimize cost and improve business processes and services provided students.

In 2000, ten of the eleven institutions contracted with and implemented different modules of PeopleSoft for financial accounting and general ledger, human capital, and student information systems. These products were implemented at each institution largely independently of other institutions, and in some instances without changing existing business processes. Oracle, which bought Peoplesoft and currently supports these applications, is no longer selling on-premise Peoplesoft applications but will support the existing base for several years. Most vendors are now promoting Software as a Service (cloud) versions of these applications with new functionality. This is prompting institutions to consider the marketplace opportunities, the institutions’ needs, and the development of an information technology “roadmap.”

The attached statement of values and expectations is intended to express the *Board’s expectation* that institutions pursue the next information technology investment as an opportunity to both improve business processes and control life-cycle costs of a major investment.

ALTERNATIVE(S): The Committee could offer alternatives to the proposed language.

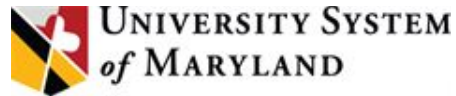
FISCAL IMPACT: There is no direct financial impact.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents adopt the Statement of Values and Expectations on Collaboration and Cooperative Efforts in Acquiring and Implementing new Information Technology and Upgrading Business Processes.

COMMITTEE RECOMMENDATION: _____ DATE: _____

BOARD ACTION: _____ DATE: _____

SUBMITTED BY: Ellen Herbst (301) 445-1923



Board of Regents
**Statement of Values and Expectations on Collaboration and Cooperative Efforts in Acquiring
and Implementing New Information Technology and Upgrading Business Processes
Spring 2019**

Whereas, the institutions of the University System of Maryland (USM) are considering making major investments in the software used to run those institutions; and

Whereas, the quality of services provided students, and the costs associated with business processes and information technology as impacts or drivers of tuition rates, both have a significant impact on the student experience; and

Whereas, the USM and its institutions all have their operations based in a common set of policies and standards in areas such as HR, procurement, accounting, etc.; and

Whereas, this technology transition will require the USM and its institutions to analyze and improve back-office operations and business processes;

Whereas, technology transformation of this scope presents an opportunity to leverage in-common process, technology, and data across USM institutions, while respecting their uniqueness but improving effectiveness and efficiency in their individual operations.

Therefore, the Board of Regents instructs the Presidents of the USM institutions and the USM Office to explore alternatives and opportunities, and work together to develop institutional plans to:

- pursue opportunities to cooperate, collaborate, and establish common solutions to business process needs that utilize or depend upon information technology assets, and that
- the USM institutions consider not only the unique needs of their own institution, but alternatives that will assist other institutions in improving business process outcomes as well as improve the effectiveness and efficiency of business, administrative and operational processes across the entire University System of Maryland

The range of possibilities for cooperation, collaboration, or the establishment of common solutions include, but are not limited to:

- System-wide procurement and contracting opportunities,
- shared training and change management services,
- sharing information technology resources across similar-scope or, if advantageous, geographically-close institutions,
- one or more institutions, or other organization, providing services, either information technology, or business process provision, to others on a fee-for service basis,
- several institutions developing a governance and change management structure that enables them to partner and operate in a shared, vendor-supported ERP system,
- several institutions developing a governance and operating structure to provide services, whether information technology, or business process, through a commonly-governed and operated center.

Unless a case can be made otherwise, institutions are expected to enter into or commit to collaborative endeavors with similar institutions that have common sets of business activities and needs. Alternatively, an institution can commit to collaborate with an institution that can reasonably provide information technology or business process services to other USM institutions. In either approach the goal is to agree on a common long-term strategy to minimize costs and improve services and outcomes.

The framework for proceeding, either individually or as a group, will be described in a document that is currently under development called, "Requirements for major information technology investments by or for USM institutions."

Each institution will be required to develop a long-term plan for business process improvements by no later than May 1, 2020. These plans should include goals and estimated milestone dates for planned improvements, including business process changes, as well as the acquisition and implementation of supporting enterprise information technology. Institutions are to share the plans with the Board of Regents when completed, for their review and comment, at its thereafter next scheduled meeting. Where collaboration is planned, institutions should include the need to establish shared governance and/or standards of service arrangements as a part of the institutional plan.

The System Office is to work with groups of institutions to monitor progress, provide policy and technical expertise where appropriate, assist in resolving cross-institutional or multi-institutional issues, and help in identifying opportunities for collaboration.

Business processes that utilize or rely upon student information systems may be exempted from expectations to collaborate across institutions.

As the window of opportunity for enacting the provisions of such a plan is fast approaching, the Board of Regents requests that a report on this topic be submitted by the end of calendar year 2019 on the status of institutional efforts to develop long-term plans. Annually thereafter institutions will be asked to submit reports that track institutional progress against the institution's long-term plans



**Board of Regents
Statement of Values and Expectations on Collaboration and Cooperative Efforts in Acquiring
and Implementing New Information Technology and Upgrading Business Processes
Spring 2019**

Whereas, the institutions of the University System of Maryland (USM) are considering making major investments in the software used to run those institutions; and

Whereas, the quality of services provided students, and the costs associated with business processes and information technology as impacts or drivers of tuition rates, both have a significant impact on the student experience; and

Whereas, the USM and its institutions all have their operations based in a common set of policies and standards- in areas such as HR, procurement, accounting, etc.; and

Whereas, this technology transition will require the USM and its institutions to analyze and improve back-office operations and business processes; and

~~Whereas, this technology transition offers a significant opportunity for the USM and its institutions to rethink back-office operations and business processes; and~~

Whereas, technology transformation of this scope presents an opportunity to leverage in-common process, technology, and data across USM institutions, while respecting their uniqueness but improving effectiveness and efficiency in their individual operations.; and

~~Whereas, there is the prospect for the USM to take advantage of System-ness opportunities in an area that maintains the uniqueness of the USM institutions while creating possibilities for improved effectiveness and efficiency in their operations;~~

Therefore, the Board of Regents instructs the Presidents of the USM institutions and the USM Office to explore alternatives and opportunities, and work together to develop ~~a~~institutional plans to:

- pursue opportunities to cooperate, collaborate, and establish common solutions to business process needs that utilize or depend upon information technology assets, and that

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- several institutions developing a governance and change management structure that enables them to partner and operate in a shared, vendor-supported ERP system,
- several institutions developing a governance and operating structure to provide services, whether information technology, or business process, through a commonly-governed and operated center.

Unless a case can be made otherwise, institutions are expected to enter into or commit to collaborative endeavors with similar institutions that or other institutions which can reasonably provide information technology or business process services to other USM institutions, that which have common sets of business activities and needs. Alternatively, an institution can commit to collaborate with an institution that can reasonably provide information technology or business process services to other USM institutions.; In either approach the goal is to agreeing upon a common long-term strategy to minimize costs and improve services and outcomes.

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Business processes that utilize or rely upon student information systems may be exempted from expectations to collaborate across institutions.

As the window of opportunity for enacting the provisions of such a plan is fast approaching, the Board of Regents requests that a report on this topic be submitted by the end of calendar year 2019 on the status of institutional efforts to develop long-term plans. ; Annually -then annually thereafter institutions will be asked to submit reports that track institutional progress against the institution's long-term plans-



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Proposed FY 2020 Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation

COMMITTEE: Finance

DATE OF MEETING: June 12, 2019

SUMMARY: Pursuant to Section 13-306 of the Education Article, each year the Board of Regents of the University System of Maryland and the Board of Directors of the University of Maryland Medical System Corporation (UMMS) are asked to approve an annual contract between University of Maryland, Baltimore (UMB) and UMMS which states all financial obligations, exchanges of services, and any other agreed relationships between them for the ensuing fiscal year concerning the University of Maryland Medical Center (UMMC).

Section 13-306 requires that the annual contract be submitted to the Board of Regents, upon recommendation of the UMB president, for consideration, any modification, and approval.

At this time, the Board is asked to approve the Annual Contract for FY 2020 incorporating the financial information for FY 2020 reflected in the attached schedule of payments of UMMS and UMB to one another in Fiscal Years 2018, 2019 and 2020. For FY 2020, there is a net increase of \$5,489,695 in UMMS compensation to UMB. Adjustments relate to variations in service needs of UMMC and to COLA adjustments to UMB salaries in FY 2019 and FY 2020. In FY 2019, the School of Medicine and UMMC developed performance evaluation tools for faculty services at UMMC based upon standard hospital industry performance evaluation tools. Use of the tools will continue in FY 2020. On a service by service basis, School of Medicine compensation may be subject to reduction up to an agreed limit if performance goals are not attained. Initial performance evaluations are pending; no reductions have been made to date.

The majority of faculty services reflected in the contract are provided at UMMC facilities at the UMB campus. The contract also includes compensation for School of Medicine faculty services at the University of Maryland Medical Center Midtown Campus in clinical services that are managed by the UMMC leadership.

The contract text includes a new provision affirming the cooperation of UMB and UMMC in investigation of Title IX complaints and other complaints under policies prohibiting discrimination and harassment.

The proposed contract text is available for review. The contract text has been reviewed and approved by the Office of the Attorney General for form and legal sufficiency.

ALTERNATIVE(S): An Annual Contract incorporating the information in the attached schedule is recommended by the President of UMB, the Dean of the School of Medicine, the Interim President of UMMS and the Chancellor. In accordance with Section 13-306, the Committee could postpone action and recommend that the Regents and Directors appoint a joint committee to review the proposed contract.

FISCAL IMPACT: The fiscal impact of the Annual Contract is as specified in the attached schedule. Subject to adjustments as discussed in the text of the Annual Contract, it results in a net fund transfer from UMMS to UMB of \$143,990,834 in FY 2020.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents authorize the President of UMB to execute the Annual Contract for FY 2020.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

PAYMENTS UNDER
FY 2018, FY 2019, and FY 2020 ANNUAL CONTRACTS
BETWEEN UMB AND UMMS

<u>Payments to UMB</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY20</u>
Administrative Services	\$1,717,083	\$1,143,252	\$1,179,341
Faculty Services:			
School of Medicine (including Trauma)	\$139,939,123	\$141,299,894	146,416,942*
School of Pharmacy	\$1,065,992	\$1,287,024	\$1,490,817
School of Dentistry	<u>\$568,007</u>	<u>\$571,273</u>	<u>\$590,773</u>
<u>Payments to UMMS</u>			
Space Charge	(\$1,157,304)	(\$1,157,304)	(\$1,157,304)
Fringe Benefit Adjustment**	(\$4,620,632)	(\$4,643,000)	(\$4,529,735)
NET TO UMB	\$137,512,269	\$138,501,139	143,990,834

* For Fiscal Year 2020, \$32,873,455 of this School of Medicine support is designated as seed support. Continuation of that seed support in FY2021 and later years is subject to annual negotiation. The School of Medicine support does not include additional funds UMMS expects to provide to support salaries of physicians who are recruited during Fiscal Year 2020 to new positions supported by UMMS.

**The SOM payments for faculty services are calculated using the standard UMB faculty fringe benefit rate. The effective fringe benefit rate for School of Medicine faculty is lower than the campus standard or average rate. SOM will adjust the fringe benefit payment to UMMC to obtain a UMMC payment closer to actual cost than would result if the full fringe benefit rate were charged. For FY2020, the estimated adjustment is \$4,529,735.

PAYMENTS UNDER
FY 2018, FY 2019, and FY 2020 ANNUAL CONTRACTS
BETWEEN UMB AND UMMS

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**MEDICAL SYSTEM AGREEMENT
FOR FISCAL YEAR ENDING JUNE 30, 2020**

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**MEDICAL SYSTEM AGREEMENT
FOR FISCAL YEAR ENDING JUNE 30, 2020**

This Agreement is made as of July 1, 2019, between the University System of Maryland, a public corporation and an agency of the State of Maryland, and the University of Maryland Medical System Corporation, a private, nonprofit, nonstock corporation organized under the laws of the State of Maryland which assumed ownership of and management responsibility for the University of Maryland Medical System (as then defined in the law) on July 1, 1984.

RECITALS

The University of Maryland, Baltimore (“UMB”), a public educational institution that is part of the University System of Maryland (“University”), includes accredited Schools of Medicine, Pharmacy, Law, Dentistry, Nursing, and Social Work (“Schools”). The University of Maryland Medical System Corporation owns and operates the University of Maryland Medical Center (“UMMC”), formerly a division of the University of Maryland, Baltimore providing patient care services. UMMC and the Schools have long-standing, historic associations and enjoy close, cooperative and effective working relationships. Together they seek to realize the statutory purposes set forth in Title 13, Subtitle 3, Education Article, Annotated Code of Maryland (2018 Repl. Vol.), authorizing the creation of the University of Maryland Medical System Corporation and its subsidiary University of Maryland Medical Center LLC.

This Agreement is intended by the parties to serve as the annual contract mandated by Section 13-306 of the Medical System Law (defined below) for fiscal year 2020. Toward this end, and in consideration of the mutual covenants and agreements set forth in this Agreement, the University System of Maryland and the University of Maryland Medical System Corporation agree as follows:

TERMS

ARTICLE I. DEFINITIONS

In this Agreement, the following words have the meanings indicated:

A. “2019 Agreement” means the Annual Contract between the parties for the fiscal year ending June 30, 2019.

B. "2020 Agreement" means this Annual Contract between the parties for the fiscal year ending June 30, 2020.

C. "Annual Contract" means the agreement between USM and the Medical System Corporation required by the Medical System Law, stating all financial obligations, exchanges of services, and any other agreed relationships between USM and UMMC for the ensuing fiscal year, and identifying the services to be provided and the agreed cost of such services.

D. "Board of Directors" means the Board of Directors of the Medical System Corporation.

E. "Board of Regents" means the Board of Regents of USM.

F. "CEO/UMMC" means the person serving as Chief Executive Officer for UMMC.

G. "Chancellor" means the Chancellor of USM.

H. "Fiscal Year" means the Fiscal Year ending June 30, 2020.

I. "Medical Center LLC" means University of Maryland Medical Center, LLC, a nonprofit subsidiary established by the Medical System Corporation as provided in Section 13-303(k) of the Education Article of the Annotated Code of Maryland.

J. "Medical System Assets" means all assets allocated to the Medical System as shown on the financial statements of the Medical System at the Transfer Date and as more particularly or additionally identified or supplemented by the Board of Regents and approved by the Board of Public Works and transferred to the Medical System Corporation, including (except as limited by the terms of the documents of transfer approved by the Board of Public Works) all related land and buildings and funds deposited with the State Treasurer.

K. "Medical System CEO" means the person elected Chief Executive Officer of the Medical System Corporation by its Board of Directors.

L. "Medical System Corporation" means University of Maryland Medical System Corporation, a private, nonprofit, nonstock corporation formed under the general corporation laws of this State. Its assets include, without limitation, UMMC, as defined in definition X below.

M. "Medical System Law" means Chapter 288 of the Laws of Maryland of 1984, which is codified (in part) in Title 13, Subtitle 3, Education Article, Annotated Code of Maryland.

N. "Medical System Liabilities" means all liabilities allocated to the Medical System Corporation as shown on the financial statements of the Medical System Corporation at the Transfer Date.

O. "Medical System University Personnel" means those employees of the University assigned in the Medical System who were offered positions as UMMC Employees as of the Transfer Date, but elected not to accept them.

P. "Midtown" means the hospital in Baltimore City owned by the Medical System Corporation through its subsidiary, University of Maryland Medical Center Midtown Health, Inc. Midtown is operated and licensed as a health care facility independent of UMMC, and is known as the "UMMC Midtown Campus".

Q. "President" means the President of the University.

R. "School of Dentistry" means the University of Maryland School of Dentistry.

S. "School of Medicine" means the University of Maryland School of Medicine.

T. "School of Nursing" means the University of Maryland School of Nursing.

U. "School of Pharmacy" means the University of Maryland School of Pharmacy.

V. "Shock Trauma Center" means the R Adams Cowley Shock Trauma Center of the Medical System Corporation.

W. "Transfer Date" means July 1, 1984, the date of transfer of Medical System Assets determined by the Board of Public Works and filed with the Secretary of State and the Department of Legislative Reference.

X. "UMMC" means the licensed health care facility owned and operated by the Medical System Corporation at or adjacent to the University campus, including the health care delivery components of University Hospital, the Greenebaum Cancer Center (the current name of the University Cancer Center referred to in the Medical System Law) and the Shock Trauma Center. UMMC does not include health care delivery components owned or controlled by the Medical System Corporation that were not named in the Medical System Law.

Y. "UMMC Employees" means employees of UMMC, including without limitation employees of the Medical Center LLC and employees of Midtown as referred to in Article VI.

Z. "UMMC Personnel" means both Medical System University Personnel and UMMC Employees.

AA. "University" means the University of Maryland, Baltimore.

BB. "USM" means the University System of Maryland.

[THIS AREA INTENTIONALLY BLANK]

ARTICLE II. COOPERATION IN ACADEMIC PROGRAMS

A. Consistent with their educational missions, the University and UMMC will cooperate in the planning and administration of health professions academic programs at the University and UMMC, including both clinical education and clinical research, and the graduate medical education programs sponsored by UMMC. Academic programs may be extended to Midtown by the parties' agreement.

B. Existing affiliations between UMMC and the health professions schools of the University for the conduct of academic programs of the schools will be continued under the direction of the CEO/UMMC, the President, and the deans of the respective schools. Affiliation agreements between UMMC and the schools may be developed by UMMC and the University as required for accreditation of the schools' degree programs or UMMC's graduate medical education programs. Affiliation agreements will be modified as appropriate to reflect any co-location of programs at Midtown or transfer of programs to Midtown.

C. Affiliations between the schools of the University and health care institutions other than UMMC will be coordinated with the academic programs of the University at UMMC and with UMMC graduate medical education programs.

D. All actions of the parties with respect to academic programs and affiliations shall be consistent with applicable accreditation requirements for UMMC's facilities, University academic programs, and UMMC's graduate medical education program in terms of both curriculum requirements and standards for patient care. In addition, the parties agree that they will cooperate with respect to implementing their respective policies regarding sexual harassment and sexual misconduct, which include, but are not limited to, policies addressing Title IX of the Education Amendments of 1972, as amended, and Title VII of the Civil Rights Act of 1964, as amended. More specifically, each party agrees to notify the other promptly upon becoming aware of any allegation of sexual harassment or sexual misconduct against, or by, a representative or affiliate of the other. In the case of UMB, representatives or affiliates includes any student, any faculty or staff personnel, and any third parties or contractors under UMB's control. In the case of UMMC, representatives or affiliates includes any employee, any volunteer, and any contractor or its employees, and any medical or professional staff who are not UMB personnel. Each party agrees to cooperate with the other regarding investigations of possible sexual harassment or sexual misconduct at UMMC facilities or elsewhere involving individuals in the categories described above. Each party will support the other in taking steps to end any sexual misconduct or sexual harassment, prevent its recurrence and address its effects. Each party will provide the other with information about applicable policies, and the parties will work together to provide appropriate training and educational materials for their respective constituencies.

E. Information related to changes in University academic programs or UMMC or Midtown patient care activities that would affect the budget or operations of the other party shall be provided in advance of the planned changes. After discussion between the President and the CEO/UMMC, planning for the implementation of any changes will be coordinated by appropriate University and UMMC personnel, as specified by the President and the CEO/UMMC.

F. The University will provide to UMMC information about faculty proposals for clinical research to be conducted in UMMC or Midtown facilities. This information will be provided in a timely manner so that UMMC may evaluate the operational and financial implications of the proposed clinical research and confirm that services required for the research may be provided by UMMC or Midtown. UMMC's evaluation will be completed in a timely manner so as to avoid delay of the University approval processes. UMMC and the University will maintain appropriate business processes to guide the accurate billing of services delivered in conjunction with clinical research protocols.

G. Annually, the University will provide to UMMC information about any professional liability insurance acquired by the University, or provided by the State of Maryland, to provide coverage for University students and/or faculty that would be applicable to incidents arising from educational or research activities conducted by the University at UMMC or Midtown.

H. Prior to assigning students to UMMC for clinical experience or training, the University will provide those students with training, orientation, and immunizations as required by UMMC for health care workers, as applicable, and will require students to present evidence of health insurance. In the event UMMC believes that the University is not providing the required training, orientation and immunizations in a timely manner, UMMC may provide the services to the students and will charge the University for the actual cost of the services. The current requirements of UMMC are listed in Exhibit A.

I. If a University student is exposed to body fluids as defined in Section 18-338.1 ("the Section"), Health-General Article, Annotated Code of Maryland, while engaged in educational clinical experience at UMMC or Midtown, the student, as a health care provider, may request patient testing under the conditions set forth in the Section. Applicable policies of UMMC or Midtown, as relevant, will be followed, except that the University will be responsible for counseling of students and expenses of testing.

J. The parties will consolidate funds available for the salaries of medical residents and fellows so that the funds are administered by a single employer. UMMC serves as the employer of the medical residents and fellows. In that capacity, UMMC administers UMMC funds, Veterans Administration funds, and some other funds. Except where restricted by law or

contract, University funds for resident and fellow salaries from accounts identified as revolving and grant accounts will be transferred to UMMC for administration during the Fiscal Year.

ARTICLE III. UNIVERSITY ADMINISTRATIVE SERVICES TO UMMC

USM, through the University, will provide services to UMMC as described in this ARTICLE III and Exhibits B and C. The University will be paid for providing these services and will transfer funds to other components of USM, if appropriate, if other components have been involved in furnishing services to UMMC.

A. Personnel Services

1. UMMC will be responsible for personnel administrative services related to its employment of all UMMC Personnel.

2. All employment records for UMMC Personnel made and used by the University Office of Human Resource Services (formerly the University Office of Personnel) previously have been transferred to the Medical System Corporation. The University Associate Vice President for Human Resource Services or designee shall be given access to transferred records concerning Medical System University Personnel for any reasonable purposes. In the event of requests pursuant to the Maryland Public Information Act or any other State law for information from records concerning Medical System University Personnel, the party receiving such request will advise the other party, and a coordinated response will be prepared by UMMC. UMMC shall maintain all transferred Medical System University Personnel records as it maintains like records in its ordinary course of business, and shall not destroy or dispose of any such records without first giving the University the option to accept return of such records.

3. The President and the Chancellor continue to delegate to the CEO/UMMC and his designees the President's and Chancellor's authority concerning Medical System University Personnel under the USM rules for exempt and non-exempt staff and Sections 12-108 and 12-109 of the Education Article.

B. University Administrative Services

1. Through its Offices of Facilities Management and its Police Department, the University will provide to UMMC facilities management and Police services as specified in Exhibit B. The compensation for these services for the Fiscal Year is specified in Schedule 1.

2. As stated in Exhibit B, some Police services will be compensated on a fee-for-service basis, with the cost of service being calculated solely by multiplying the hourly wage of the personnel involved, including any shift differential, times the hours or fractional hours required for the service. UMMC is not obligated to purchase such services or any set amount of such services. Services provided on a fee-for-service basis under this subsection will be billed to

UMMC by the appropriate University office, with payment due to the University within thirty days from UMMC's receipt of the University's bill for such services.

C. Department of Environmental Health and Safety

1. Through its Department of Environmental Health and Safety, the University will provide services to UMMC as specified in Exhibit C. The compensation for services for the Fiscal Year is specified in Schedule 1.

2. Compensation for the services described in Exhibit C does not include the University's costs for materials, supplies, permits and licenses issued to UMMC, and contracted services required to furnish the services to UMMC. Services provided that exceed limits stated in Exhibit C will be invoiced as extra costs. Such costs will be billed to UMMC quarterly, with payment due to the University within thirty (30) days from UMMC's receipt of the University's bill. No expenditure or related group of expenditures in excess of \$1,000 will be made without prior approval of UMMC. The University reserves the right to require that major purchases or contracts be made directly by UMMC.

D. Changes in Level of Administrative Services

1. (a) Any changes in administrative service during this Fiscal Year must be agreed upon as provided in ARTICLE X, Section K, Paragraph 1(a).

(b) Unless otherwise specifically provided in this ARTICLE III, UMMC shall provide to the University not later than January 1, 2020 written notice of intention to reduce the level of administrative services provided by any administrative unit named in this Article pursuant to the terms of the Annual Contract between the Medical System Corporation and USM for the succeeding fiscal year.

2. In connection with the Medical System Corporation's establishment of administrative units to carry out functions performed by the University under this Agreement, the Medical System Corporation agrees not to hire, employ, or contract with any University employee whose function in any way relates to performance of an administrative service by University for the Medical System Corporation. This prohibition is applicable to employees of all University administrative units providing services described in ARTICLE III of this Agreement. Notwithstanding the foregoing provisions, the Medical System Corporation may extend offers of employment to University personnel who have been laid off or discharged, or who have given the University at least six (6) months prior written notice of their intention to accept a position with the Medical System Corporation. The period of notice may be reduced by the University's Vice President for Administration and Finance.

E. University of Maryland Identity Program

The University and UMMC have a joint corporate identity program intended to promote the identifier “University of Maryland” and a common logo based upon that identifier for both parties. The identifier and logo will be used in connection with promotional literature, advertising, publications, signage, and other uses, as confirmed in separate memoranda between the parties, approved by the President of the University and the CEO/UMMC. Branding and identification activities will continue in the Fiscal Year. The parties may enter into joint procurements of identity and promotion services, and will reimburse one another appropriately to allocate costs between the parties.

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ARTICLE IV. UNIVERSITY FACULTY SERVICES TO UMMC AND MIDTOWN

A. Medical School Faculty

1. The School of Medicine shall assign members of its clinical faculty to be responsible for (a) teaching and supervision of UMMC residents as part of UMMC's graduate medical education programs; (b) administrative and supervisory functions on behalf of UMMC as required for accreditation of its facilities and programs and as necessary for its efficient operation; and (c) such other services, at UMMC or at Midtown, as reasonably requested by UMMC to support clinical programs and as agreed to by the School of Medicine. UMMC will pay the University the sums stated in Schedules 2A and 2B as compensation for the services at UMMC and the sums stated on Schedule 2C for the services at Midtown.

2. Schedules 2A and 2B state the assignment of funding to "base" support, generally reflecting ongoing commitments, and "seed" support, generally reflecting start up support for a specified period of time which is not intended to be ongoing for faculty services at UMMC. It is acknowledged that there may be an ongoing component of "seed" support when mutually agreed upon by UMMC and the School of Medicine.

3. It is understood and agreed that if this Annual Contract remains in force after June 30, 2020, as a result of the effect of Section 13-306(d) of the Medical System Law, the University waives any claim to be paid "seed" support with respect to the period of time after June 30, 2020, except to the extent of specific written multi-year commitments continuing after that date which have been made between UMMC and the School of Medicine and are referenced in Schedule 2B.

4. The parties anticipate that following written approvals as provided in ARTICLE X, Section K, Paragraph 4(a), below, Schedules 2A, 2B and 2C compensation will be increased during the Fiscal Year as additional faculty begin to provide services at UMMC or Midtown. The parties also anticipate that funding may be shifted between Schedules 2A and 2C due to transfers of academic and clinical programs during the Fiscal Year.

5. UMMC will provide, or require Midtown to provide, the School of Medicine faculty with office and teaching space, equipment, and administrative support required by the faculty to carry out properly their responsibilities under this Section. The CEO/UMMC and the Dean of the School of Medicine ("Dean-M") shall consult with respect to any changes proposed by either party or by Midtown in the level of support to be provided or the space assigned pursuant to this Section. If the proposed changes are not mutually acceptable, the issues shall be referred to the President and the CEO/UMMC in accordance with ARTICLE X, Section

B, below.

6. The Dean-M, after consultation with the CEO/UMMC, will assign faculty members to provide services in the clinical specialties listed in Schedules 2A, 2B and 2C. On-going compensation for the faculty services is based on the following principles: (a) the services to be provided are defined and quantified; (b) the services are provided on an efficient and effective basis; and (c) compensation is based on fair market value.

7. The Dean-M and the CEO/UMMC will develop and implement performance standards that will serve to assess the services provided by the School of Medicine faculty members at UMMC and Midtown in the following areas: (a) medical direction; (b) resident and fellow supervision; (c) clinical quality; (d) customer service; (e) cost of care; and (f) operational efficiency.

8. The CEO/UMMC and the Dean-M shall meet to discuss any (a) dissatisfaction by UMMC or Midtown with the services provided by any School of Medicine department or individual faculty member, or (b) the failure of any School of Medicine department or individual faculty member to meet the performance standards agreed to by the parties.

9. (a) Pursuant to Section 13-305(a) of the Medical System Law, the chairs of the clinical science departments of the School of Medicine serve as chiefs of the corresponding clinical services at UMMC. The clinical chairs/chiefs must participate in furthering the objectives of the School of Medicine and UMMC. In so doing, the clinical chairs/chiefs are responsible to the Dean-M for the academic, research, and patient care activities of themselves and their departmental faculty. For patient care in or on behalf of UMMC, the clinical chairs/chiefs also are responsible to the CEO/UMMC. If clinical chairs or other faculty of the School of Medicine are proposed by the CEO/UMMS as chiefs of service at Midtown, the concurrence of the Dean-M is required.

(b) Recruitment and selection of a UMMC clinical chair/chief is the joint responsibility of the Dean-M and the CEO/UMMC. Search committees will be appointed by the Dean-M, in consultation with the CEO/UMMC, who shall nominate a member of the UMMC administration to represent it on each committee. Negotiations with prospective new clinical chairs/chiefs shall be carried out concurrently by the Dean-M and by the CEO/UMMC, with the final proposal being a joint one. Appointments of division heads in clinical departments and medical directors of clinical specialty units in UMMC shall be made by the clinical chairs/chiefs with the approval of the Dean-M and the CEO/UMMC.

(c) Recommendations to the President of salaries for clinical chairs/chiefs, division heads, and medical directors of clinical specialty units at UMMC or

Midtown shall be made with the approval of the Dean-M. The CEO/UMMC will provide input to the Dean-M concerning the evaluations of annual salary increases for clinicians, chiefs, division heads and medical directors working at UMMC or Midtown.

10. The School of Medicine and UMMC will establish mutually agreed evaluation tools to measure efficiency, effectiveness, safety and customer service for assigned faculty work in the UMMC clinical services. These tools will include tables to determine refunds to UMMC if performance measures are below agreed goals. Refunds will not exceed 10 percent of faculty support during a quarterly period. On a quarter by quarter basis, evaluation results will be analyzed by UMMC and the respective School of Medicine departments providing faculty services at UMMC, and the results will be reported to the School of Medicine. Any refunds in compensation identified as a result of the performance evaluations will be transferred to UMMC by the School of Medicine during the quarter following the evaluated quarter. The fourth quarter evaluation will be applied as part of the annual contract settlement process after the close of the Fiscal Year.

The semi-monthly payments from UMMC for support of faculty salaries will not be altered during the Fiscal Year as a result of refunds due based on evaluations. The School of Medicine will refund the reduction for any quarter to UMMC. The refund payment will be due within 30 days after the end of the evaluated quarter or, if later, within 30 days after the final determination of the refund due as a result of the evaluations.

11. Only those School of Medicine faculty members who render specific supervisory, administrative, and/or educational services to UMMC or Midtown or who are otherwise approved by the Dean-M and the CEO/UMMC shall receive income from the payments made to the School of Medicine pursuant to this Section of ARTICLE IV. Faculty may receive income from the payments while they are on sabbatical leave, terminal leave, or paid leave of absence or administrative leave related to separation from employment, with prior approval for such payments by the Dean-M and the CEO/UMMC. With the consent of the CEO/UMMC, the School of Medicine may use the income budgeted for support of a specific faculty member to pay another faculty member in the event the first individual ceases to receive, or ceases to be eligible to receive, income from the payments made to the School of Medicine. The parties agree to continue to transition from a model that ties UMMC or Midtown funding to specific physicians to a fair-market value, fixed fee, service-based funding approach. The parties will work diligently to achieve this goal. This work will be based upon the approved list of services provided by the School of Medicine physicians to UMMC and Midtown, with appropriate performance measures developed jointly in order to evaluate the delivery of these services. It is anticipated that the transition in funding methodology will occur and be implemented on a department-by-department basis, until such time as that base funding for all clinical departments is paid on a fixed-fee basis.

12. Schedules 2A, 2B and 2C include fringe benefit costs, at the stated University rates, associated with the payments being made for faculty services pursuant to paragraph 1. See ARTICLE X, Section M, Paragraph 1, regarding adjustment of these costs.

13. (a) During the Fiscal Year, UMMC anticipates incurring costs for salaries and fringe benefits \$1,500,000 less than the Grand Total of salaries and fringe benefits stated on Schedule 2A, 2B and 2C because of turnover savings as defined in this paragraph 13.

(b) "Turnover savings" means the amount of UMMC support for faculty salary and fringe benefits (as reflected on Schedules 2A, 2B and 2C) which is not actually required or used for the salary and related fringe benefits of a faculty member as provided in this Agreement. Faculty salary for this purpose includes, in addition to wages for periods of employment, salary payments to faculty for unused annual and holiday leave when such payments are due upon separation from employment under the faculty benefits policies of the University, as well as payments for sabbatical leave, terminal leave, or paid leave of absence or administrative leave related to separation from employment if approved as provided in Section A, Paragraph 11, of this ARTICLE IV.

(c) Periodic payments due from UMMC for faculty salary and fringe benefit support will be based upon the Projected Cost stated on Schedules 2A, 2B and 2C (i.e., the Grand Total of salaries and fringe benefits less \$1,500,000) and adjusted as provided in ARTICLE X, Section M, Paragraph 1.

(d) At the end of the Fiscal Year, if the turnover savings are less than \$1,500,000, UMMC will pay to the University one half of the difference between \$1,500,000 and the turnover savings. The maximum payment due the University under this subparagraph (d) shall not exceed \$750,000. The payment will be due within 15 days after the Dean's Office reports to UMMC the incurred costs as compared to the projected total cost for salaries and fringe benefits as set out in Schedules 2A, 2B and 2C. The turnover savings will be computed based on notices provided by the Dean's Office of the School of Medicine as described in ARTICLE X, Section K, Paragraph 4(b).

14. UMMC funds will not be used by the School of Medicine to support salaries of faculty on terminal leave, sabbatical leave, paid leave of absence, or administrative leave related to separation from employment without securing prior written consent of the CEO/UMMC.

B. School of Pharmacy Services

UMMC and the School of Pharmacy will be provided services as described in this Section B.

1. The Dean of the School of Pharmacy ("Dean-P") or designee and the Director of Pharmacy Services of the UMMC Department of Pharmacy Services ("Director") or designee will cooperatively establish prior to July 1, 2019, a specific schedule of services the School of Pharmacy will provide to UMMC, and a list of faculty, staff and residents who will provide the services in the Fiscal Year.

(a) Throughout the Fiscal Year, the Dean-P or designee and the Director or designee will meet periodically to:

(i) reevaluate the needs of the School of Pharmacy and the UMMC Department of Pharmacy Services and the performance of all participants, and progress toward any agreed goals;

(ii) adjust the services and faculty, staff and resident assignments and expectations to meet these needs in an effective manner.

(b) Either the Dean-P or the Director may initiate a reevaluation of services or assignments or request the other party to substitute personnel providing services.

(c) The Director will ensure that faculty and staff assigned to provide services receive appropriate appointments in the UMMC Department of Pharmacy Services and have access to patient care areas and the data necessary for the performance of required services.

(d) Services will be limited to agreed areas of faculty and staff expertise and to the availability of faculty and staff as agreed by the Dean-P and the Director or their respective designees.

(e) The activities provided at UMMC by the faculty, staff and residents of the School of Pharmacy may include but shall not be limited to: patient care services; active participation on committees as agreed; attendance at Department of Pharmacy Services meetings and in-services; precepting UMMC residents while on rotation in an assigned service area; provision of staff development programs to the pharmacy staff; participation in collaborative projects including research, cost savings, cost-containment, patient staff and/or quality improvement; and other initiatives used to improve medication use throughout UMMC.

(f) The activities provided by the faculty and staff of the School of Pharmacy shall include active participation in the activities of the Pharmacy and Therapeutics Committee, including, if necessary and requested by UMMCS, assignment of one faculty member to membership on the Committee.

(g) The activities of the School of Pharmacy faculty providing services at UMMC pursuant to this Agreement are subject to the following terms:

(i) For faculty providing direct patient care, the percentage of effort related to inpatient services will be as stated in the schedule of services established by the School of Pharmacy and UMMC (“service agreement”). The School of Pharmacy will require that if a faculty member is unable to provide scheduled service coverage, it is the responsibility of the faculty member to make arrangements for coverage, if possible, and to notify a designated School of Pharmacy administrator if coverage cannot be arranged.

(ii) For faculty providing direct patient care, the percentage of effort related to outpatient clinics will be as stated in the service agreement. If a faculty member is unable to attend his/her assigned clinic day, it is the responsibility of the faculty member to make arrangements for coverage or swap days with another provider, and to notify a designated Pharmacy administrator if coverage cannot be arranged.

(iii) If a faculty member is unable to fulfill the agreed schedule of inpatient or outpatient service regardless of reason (e.g., resignation, sick leave), it is the responsibility of the School of Pharmacy to provide adequate coverage in accordance with the service agreement. If the School of Pharmacy is unable to provide service coverage, then the School of Pharmacy will discuss with pharmacy leadership at UMMC a commensurate reduction in the financial support stated in Schedule 3. Both parties will participate in good faith in quarterly operational and financial review meetings to amend payment amounts if necessary compared to the original support described in Schedule 3.

(iv) The School of Pharmacy will require that its faculty assigned to UMMC participate in UMMC clinical pathway development when appropriate and/or when requested by UMMC in order to maintain best practices within UMMC.

(v) The School of Pharmacy will require that its faculty assigned to UMMC participate in UMMC quality improvement initiatives when appropriate and/or when requested by UMMC in order to enhance service quality and productivity at UMMC.

(vi) The School of Pharmacy will require that its faculty assigned to UMMC be involved in UMMC committee activities including the Pharmacy & Therapeutics Committee when appropriate to maintain appropriate use of medications at UMMC.

(vii) The School of Pharmacy will require that each faculty member assigned to UMMC participate in UMMC cost containment and resource utilization projects and document cost reductions in a manner requested by UMMC pharmacy leadership.

2. The Director shall have authority with respect to all policy decisions related to pharmacy services at UMMC.

3. UMMC shall provide support to the School of Pharmacy for faculty positions held by faculty providing services to UMMC and for residents providing services at UMMC, as described in paragraph 1. In addition, UMMC will provide some administrative support. The faculty and administrative support is as provided in Schedule 3.

4. The Dean-P and the Director, or their respective designees, will establish prior to July 1, 2019, a specific schedule of services and list of UMMC staff members who will provide them to the School of Pharmacy in the Fiscal Year.

(a) Throughout the Fiscal Year, the Dean-P and the Director, or their designees, will meet periodically to:

(i) reevaluate the needs of the UMMC Department of Pharmacy and the School of Pharmacy;

(ii) adjust the services and staff assignments to meet these needs in an effective manner.

(b) Either the Dean-P or designee or the Director or designee may initiate an evaluation of services or assignments or request to substitute personnel assigned to the School of Pharmacy.

(c) The Dean-P will ensure that staff assigned to provide services receive appropriate faculty appointments in the School of Pharmacy in its Department of Pharmacy Practice and Science and have access to appropriate resources and student information necessary for the performance of agreed upon services.

(d) The activities provided by the staff of UMMC may include, but shall not be limited to: precepting pharmacy students, participation in planning, development, and coordination of the School of Pharmacy's educational and research programs through participation in School of Pharmacy committees, and participation in agreed didactic coursework.

(e) The School of Pharmacy will pay individual UMMC staff for agreed services to the School in the Fiscal Year. Standard School of Pharmacy stipends for clinical faculty will apply. UMMC has no responsibility with respect to those payments.

(f) The Dean-P shall have authority with respect to all policy decisions related to educational programs of the School of Pharmacy.

5. The Director and the Chair, Department of Pharmacy Practice and Science, School of Pharmacy, will meet on a regularly scheduled basis to evaluate current services provided by the School of Pharmacy Department of Pharmacy Practice and Science and the UMMC Department of Pharmacy Services, and to plan for further cooperative development of pharmacy service, education, and research programs.

6. Schedule 3 reflects, as applicable, fringe benefit costs at standard University rates for faculty, staff and residents.

7. Any differences of opinion between the Dean-P and the CEO/UMMC shall be resolved by the President and the CEO/UMMC in accordance with ARTICLE X, Section B, below.

C. School of Dentistry Faculty

The School of Dentistry faculty assigned by the Dean of the School of Dentistry ("Dean-D") will provide services at UMMC as described in this Section C.

1. The School of Dentistry shall provide UMMC with a faculty dental professional staff that will provide supervision and administration of dental residents in their delivery of comprehensive dental care to UMMC patients. Services of the School of Dentistry faculty will include 24-hour on-call coverage 7 days per week and coverage of clinics Monday through Friday from 8 a.m. to 4:30 p.m., exclusive of holidays. Any changes in these schedules must be approved by the CEO/UMMC. The Dean-D shall assign individual faculty to perform responsibilities under this Agreement and may substitute faculty at his discretion after consultation with the CEO/UMMC.

2. UMMC shall provide at no cost to the School of Dentistry such UMMC Personnel as may be necessary for the School of Dentistry faculty to exercise properly their responsibilities under this Agreement. UMMC will have the exclusive right to approve or disapprove all expenditures for this purpose proposed by the School of Dentistry.

3. One of the faculty members assigned under this Section shall serve as the chair of the department of dentistry of UMMC upon approval of the CEO/UMMC. The chair will direct all activities of the School of Dentistry faculty pursuant to this Agreement, supervise faculty dentists and dental residents, and provide back-up services as required in his judgment.

4. UMMC shall provide at no cost to the School of Dentistry office space for recordkeeping and administrative functions necessary for the faculty to exercise their responsibilities under this Agreement. UMMC reserves the right to assign space for these uses; however, the minimum space shall be that amount of space occupied by the clinic on the ground floor of UMMC's North Building as of July 1, 1985.

5. UMMC shall provide at no cost to the School of Dentistry supplies necessary for the School of Dentistry faculty to exercise properly their responsibilities under this Agreement. UMMC will have final approval or disapproval of all expenditures requested by the School of Dentistry for these purposes.

6. UMMC Department of Dentistry personnel under the supervision of the Chair will prepare and submit charges for dental services rendered by dental residents in the UMMC dental clinics according to procedures of UMMC's Finance Department. All revenue generated from patient services delivered by dental residents in UMMC clinics will accrue to UMMC.

7. The compensation payable by UMMC to the School of Dentistry for faculty services for the Fiscal Year is set forth in Schedule 4. If, due to turnover or program changes, the actual utilization of funds is less than the estimated compensation, the compensation will be reduced to the sum required by University.

8. Schedule 4 reflects faculty fringe benefit costs at the proposed standard University rate.

9. Any differences of opinion between the Dean-D and the CEO/UMMC shall be resolved by the President and the CEO/UMMC in accordance with ARTICLE X, Section B, below.

D. School of Nursing Faculty

If the Dean of the School of Nursing (“Dean-N”) and the Medical System Corporation Senior Vice President of Nursing agree, nurses employed by UMMC may be assigned to work part-time as faculty of the School of Nursing, teaching agreed courses at the School of Nursing or at UMMC. If the School and the Medical System Corporation agree upon payment to the Medical System Corporation to compensate it for the nurses’ time spent as faculty, the agreed payment will be documented in writing and reported to the University Office of Financial Services for payment to UMMC following the end of the academic year. A memorandum of understanding setting out further terms and conditions not inconsistent with this Agreement may be executed by the Dean-N and the Senior Vice President.

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ARTICLE V. COMPENSATION FOR USE OF SPACE

A. Each of the parties uses space within buildings owned by the other party. The parties agree to continue to allow such use of space. The parties have estimated their non-exclusive and exclusive use of one another's space, and the approximate market value of the space shared/used. The value of UMMC space that is shared or used by the University exceeds the value of University space shared/used by UMMC, and it is agreed that the difference will be paid to UMMC by the University to reimburse UMMC's net expense. The payment due UMMC is shown in Schedule 5.

B. Each party's use of the other's space shall be subject to all applicable rules and regulations of the other party, including but not limited to those regarding personnel and visitor access, security, maintenance, storage and disposal of chemical or pathological waste, and storage and disposal of select agents.

C. The University's Center for Vaccine Development ("CVD") will use space at UMMC as a site of its vaccine trials. Unless otherwise agreed by the Dean-M and the CEO/UMMC, CVD will use facilities in the General Clinical Research Center ("GCRC") in UMMC. CVD will be responsible to pay for use of the facilities and associated UMMC services, in accordance with the generally applicable pricing schedules for the GCRC. UMMC and the University are parties to separate agreements relating to the GCRC, which is supported in part through a federal grant to the School of Medicine.

D. At a future date (the "Record Date") to be established in writing by the President and the CEO/UMMC, the University and UMMC will finalize a space inventory stating the amount of space the University and UMMC, respectively, use in one another's facilities. All future changes in compensation for use of space based upon an increase in the amount of one party's space used by the other party require prior written approval of the using party as to the amount of space involved, the payment expected, and the payment source. The approval for the University must be given by the President. The approval for UMMC must be given by the CEO/UMMC.

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ARTICLE VI. PERSONNEL MATTERS

A. The University will continue to assign Medical System University Personnel to work in UMMC. Medical System University Personnel will report to the CEO/UMMC through their immediate supervisors, who may be Medical System University Personnel or UMMC Employees. Medical System University Personnel will provide services to UMMC as directed by the CEO/UMMC. In all matters relating to the employment of any member of Medical System University Personnel UMMC shall observe applicable policies and rules of the University, USM, and the State.

B. UMMC will provide all funds required by the University for wages and fringe benefits payable by the University in connection with employment or termination of employment of Medical System University Personnel. In addition, UMMC will pay the cost of tuition waiver for Medical System University Personnel, their spouses and their dependent children, as provided by USM policy.

C. UMMC will maintain a list of Medical System University Personnel. In the event that there is any dispute between an employee and the University or UMMC as to whether that employee is part of the Medical System University Personnel, the decision of the University Director of Human Resource Services shall be the final action of either or both employers in the matter. The Director of Human Resource Services shall consult with the Office of the Attorney General before making a final decision.

D. The President and the CEO/UMMC, or their respective designees, must approve in writing: (1) any concurrent employment of an individual by both parties; (2) any temporary employment or consulting agreements between an employee of one party and the other party; and (3) the compensation payable by the respective parties pursuant to any employment arrangement described in this section.

E. 1. Certain full-time University employees have job responsibilities including activities of direct benefit to UMMC and/or Midtown. UMMC may elect to continue to support the employment of any such employee in the Fiscal Year by funding an agreed share of the University's salary and fringe benefits cost ("employment cost") for that employee (a "split-funded employee"). UMMC's percentage share of employment cost for a split-funded employee will be the same as that split-funded employee's percentage effort of direct benefit to UMMC and/or Midtown, as determined by the University and UMMC, acting through the department personnel delegated responsibility to make the determination. UMMC may recover a share of its cost from Midtown as agreed between UMMC and Midtown. The University will not bill Midtown.

2. As to any split-funded employee, UMMC may discontinue its support of employment cost following not less than sixty (60) days written notice. UMMC support for a split-funded employee may be terminated during the Fiscal Year, provided the notice requirement is satisfied. The University will have no obligation to assign to UMMC and/or Midtown work any employee who has ceased to be a split-funded employee.

3. UMMC support of employment cost may not be used to increase the salary or overall compensation of a split-funded employee above a University approved level.

4. The University and UMMC shall maintain a list of the split-funded employees on a current basis. As soon as feasible after the beginning of the Fiscal Year, the University and UMMC will establish a schedule for projected employment cost to be paid by UMMC for split-funded employees in the Fiscal Year. This schedule will be prepared no later than the end of July of the Fiscal Year, and will include employment cost retroactive to July 1 of the Fiscal Year. On a semi-monthly basis, UMMC will pay the University 1/24 of the aggregate split-funded employment cost as stated in the schedule, as provided in ARTICLE X, Section D. The payment so determined will be in effect following agreement upon the schedule for the Fiscal Year. Pending adoption of the schedule and determination of the payment, semi-monthly payments will be made by UMMC at the rate in use prior to July 1 of the Fiscal Year (that is, the rate used at the end of the fiscal year ending June 30, 2019).

5. The parties recognize that the semi-monthly payments are an estimate of the liability of UMMC for employment cost for approved split-funded employees. University payroll changes (e.g., employee separations, hires of new personnel with split support) and changes in employee assignments will result in changes in employment cost and UMMC's share of employment cost on an ongoing basis in the Fiscal Year. After December 31 of the Fiscal Year, and again after the close of the Fiscal Year, the University will provide to UMMC details about the University's incurred employment cost for split-funded employees, and will provide detail about charges to University payroll accounts supported by funds received from UMMC to support employment cost for split-funded employees. If the parties identify an error in the charges to these accounts, the charges to the accounts will be corrected promptly and a credit or debit to the respective accounts will be made by the University.

6. (a) Within 90 days after December 31 of the Fiscal Year, the University and UMMC will evaluate the changes in the schedule of split-funded employees since the schedule for the Fiscal Year was established, the employment cost actually incurred by the University for split-funded employees during the Fiscal Year through December 31, and UMMC's share of the employment cost, as well as the total of semi-monthly payments made or due from UMMC through December 31 of the Fiscal Year. If UMMC has overpaid or underpaid

the University, a reconciling sum (“sum”) will be calculated. If UMMC and the University agree that the sum is material, and not likely to be offset by variations in employment cost in the remainder of the Fiscal Year, the sum will be paid to the party that was underpaid, or has overpaid, upon receipt of the other party’s invoice for the sum. Materiality will be determined by the chief financial officers of the University and UMMC. The semi-monthly UMMC payments for estimated employment cost of split-funded employees may be changed (increased or decreased) prospectively by agreement of the parties’ chief financial officers based upon findings in the reconciliation of UMMC payments and employment cost through December 31 of the Fiscal Year. Any change will reflect adjusted estimates of UMMC’s share of employment cost in the last six months of the Fiscal Year. No change in semi-monthly payments will be made if the variance between UMMC payments and its share of employment cost for the six month period is less than 5 percent. If the variance is 5 percent or greater, a change will be made if UMMC so requests, if it has been overpaying, or if UMB so requests, if it has been underpaid.

(b) After the end of the Fiscal Year, the University and UMMC will reconcile the aggregate employment cost the University has incurred in the Fiscal Year for split-funded employees to the scheduled UMMC support in the Fiscal Year for employment cost of split-funded employees. The aggregate deficit or surplus in employment cost paid to the University will be determined after the end of the Fiscal Year. Any payment of a reconciliation sum made by a party pursuant to subparagraph (a) above will be taken into account. A final calculation of employment cost and reconciliation of UMMC payments to employment cost will be made, and any final reconciliation sum due from one party to the other will be invoiced, within 90 days after the end of the Fiscal Year.

F. 1. Certain full-time UMMC Personnel devote part-time or full-time effort to clinical activities at UMMC and/or Midtown or at University health care delivery sites for which the University receives grant and contract support. In accordance with the budgets of these grants and contracts, the University will transfer to UMMC funds received for salaries and fringe benefits of such UMMC Personnel.

2. Other full-time UMMC Personnel devote part-time or full-time effort to activities of the School of Medicine, as agreed between its clinical departments and UMMC and/or Midtown. If a School of Medicine clinical department has designated funds in its University budget for support of such UMMC Personnel, the School of Medicine will require that the funds be applied as budgeted, if UMMC is current in obligations to the University. UMMC will notify the Associate Dean for Finance and Business Affairs of the School of Medicine and the University’s Vice President for Administration and Finance in writing if the School’s support is needed to obtain invoiced, but unpaid, funds due from a clinical department.

3. Some full-time UMMC Personnel devote part-time or full-time effort to

activities of professional associations in the School of Medicine's faculty practice plan organization. If a professional association has committed to support the employment of UMMC Personnel, the University will provide support reasonably requested by UMMC to collect invoiced, but unpaid, sums due from the professional association during the fiscal year. UMMC recognizes that the University does not control the funds of the professional associations.

G. At least quarterly, representatives of the University, UMMC, and the School of Medicine will meet to review the status of the obligations of UMMC, the University, the School of Medicine, and the professional associations, to one another for support of payroll costs and to reconcile obligations to payroll expenses. The President, the Dean-M, and the CEO/UMMC shall designate representatives for these meetings. The target dates for meetings are October 1, 2019, December 1, 2019, February 1, 2020, and May 1, 2020.

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ARTICLE VII. ASSUMPTION OF LIABILITIES; INSURANCE

A. The Medical System Corporation shall not assume any liabilities of the University, USM or the State other than the Medical System Liabilities, other liabilities identified in Section 13-308 of the Education Article, and the liabilities specifically described in this ARTICLE VII or in ARTICLE IX.

B. The Medical System Corporation (1) will cooperate fully with the University and the Office of the Attorney General in the investigation and defense of potential claims and claims asserted against the University or its officers or employees incurred or arising in connection with (a) the operation of the "Medical System Assets" prior to the Transfer Date, for which claims liability is not assumed by the Medical System Corporation, and (b) education or research activities conducted by the University, its faculty, or students at UMMC or Midtown; and (2) will direct its professional staff and administration, including employees of the Medical Center LLC, to provide non-legal advice and consultation to the University and the Office of the Attorney General with regard to such matters at no cost.

C. The University (1) will cooperate fully with the Medical System Corporation and its legal counsel in the investigation and defense of potential claims and claims asserted against the Medical System Corporation, the Medical Center LLC, or the officers or employees of either, and claims for which the Medical System Corporation has assumed responsibility, incurred or arising in connection with (a) operations, prior to the Transfer Date, of the clinical facilities among the Medical System Assets, (b) services provided to UMMC or Midtown by the University after the Transfer Date pursuant to this Agreement or any prior Annual Contract, and (c) education or research activities conducted by the University, its faculty or students at UMMC or Midtown; and (2) will direct its professional staff and administration to provide non-legal advice and consultation to UMMC and Midtown and their legal counsel with regard to such matters at no cost.

D. 1. To the extent feasible in the opinion of the CEO/UMMC, UMMC will procure insurance adequate to protect the University's interest and provide for the University's defense and indemnification with respect to the matters described in Subsection 13-308(c) of the Education Article. UMMC will remain liable for any obligations under that Subsection which are not provided for by insurance.

2. To the extent feasible in the opinion of the CEO/UMMC, on and after the Transfer Date UMMC will provide malpractice and general liability insurance adequate to protect the interests of Medical System University Personnel and to make payments authorized by the Board of Public Works as described in Subsections 13-308(d) and (e) of the Education Article.

UMMC will remain liable for any obligations under those Subsections that are not provided for by insurance.

3. UMMC will not discriminate between Medical System University Personnel and UMMC Employees in determining insurance coverages or limits.

E. PARAGRAPH INTENTIONALLY OMITTED.

F. The President and the CEO/UMMC shall establish procedures for coordinated planning of malpractice insurance for the University faculty, staff and students, UMMC, and UMMC Personnel. In planning, representatives from the School of Medicine, other University schools and UMMC shall be involved as the President and the CEO/UMMC deem appropriate. During the Fiscal Year, (1) UMMC will support the purchase of malpractice insurance for the faculty on the medical staff of UMMC, but only to the extent determined by the Board of Directors upon the recommendation of the CEO/UMMC; (2) UMMC will pay premiums for malpractice insurance for all medical residents and fellows in the UMMC graduate medical education programs; and (3) the School of Medicine and UMMC will collect from third parties and credit to UMMC the cost of malpractice insurance premiums for medical residents and fellows providing services at other health care facilities for consideration payable to the School of Medicine or to UMMC.

G. The Medical System Corporation hereby waives, and agrees to defend, indemnify and hold harmless the State of Maryland, USM, the University, and their officers and employees from:

1. any claim, lawsuit, loss, damage or liability arising out of the performance of services for UMMC or Midtown pursuant to ARTICLE III, ARTICLE IV, Section A, Paragraph 1 and ARTICLE VI, Section E and F; and

2. any claim, lawsuit, loss, damage or liability

(a) brought by or on behalf of any UMMC or Midtown volunteer or employee who is not a member of the medical staff of UMMC or Midtown, and

(b) arising out of supervision or administrative services related to such UMMC or Midtown volunteer or employee, which services were performed in good faith for UMMC or Midtown by the University faculty pursuant to ARTICLE IV.

H. The Medical System Corporation will defend, indemnify and hold harmless the University with respect to all claims related to the employment relationship prior to the Transfer Date between UMMC Personnel and the University and the State during a time when such personnel were assigned in UMMC.

I. 1. Obligations and liabilities of the Medical System Corporation to USM and the University may not be transferred to the Medical Center LLC.

2. Any obligations and liabilities of UMMC or Midtown provided in this Agreement are the obligations and liabilities of the Medical System Corporation, and any commitments, waivers or other actions undertaken by UMMC or Midtown in this Agreement are imputed to the Medical System Corporation.

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ARTICLE VIII. MEDICAL STAFF

UMMC shall provide in the by-laws of the UMMC medical staff that (i) all members of the regular medical staff (excluding persons granted courtesy privileges) must have an appointment to the faculty of the School of Medicine or the School of Dentistry to be granted privileges of staff membership and (ii) any applicant for membership in the medical staff who is concurrently an applicant for a faculty position may be granted only interim privileges for 120 days pending approval of a faculty appointment. Faculty applications to the medical staff of UMMC will be submitted as required under the UMMC medical staff by-laws, and will be granted or denied by UMMC following review in accordance with the by-laws. The Schools of Medicine and Dentistry will use their best efforts to process faculty appointments within 120 days, will notify UMMC when faculty appointments are complete, and will notify UMMC when faculty appointments are terminated, all of the foregoing duties being applicable only with respect to faculty who apply for membership in the regular medical staff.

If UMMC should consider seeking termination of medical staff privileges granted to any faculty member, or asking that any member of the faculty resign from the medical staff, before initiating any such action the CEO/UMMC or his designees shall consult with the dean of the staff member's school, and, except in an emergency, before taking action shall permit that dean a reasonable time to consult with the President and the Office of the Attorney General concerning the impact of such action upon the faculty status of the medical staff member.

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ARTICLE IX. ENDOWMENTS

Any endowments or gifts received by the University during the Fiscal Year that are explicitly for the benefit of the Medical System or any of its parts will be identified to the Medical System Corporation by the University and transferred as the Medical System Corporation directs.

Any endowments or gifts received by the Medical System Corporation during the Fiscal Year that are explicitly for the benefit of the University or any part of the University will be identified to the University by the Medical System Corporation and transferred as the University directs.

[THIS AREA INTENTIONALLY BLANK]

ARTICLE X. ADMINISTRATIVE MATTERS

A. This Agreement is subject to and shall be interpreted in accordance with the laws of the State of Maryland and shall be liberally construed to effect the purposes of the Medical System Law as stated therein. If any provision of this Agreement shall be determined by a court of law to be unlawful, that provision shall be null and void but the remainder of this Agreement shall remain in effect. Nothing contained in this Agreement shall be deemed or construed to waive or abrogate in any way the sovereign immunity of the State or the University or to deprive the University or any officer or employee thereof of sovereign immunity.

B. If there should be any dispute between the parties related to the interpretation or administration of this Agreement, the President and the CEO/UMMC shall consider fully the dispute and seek to make a joint decision for resolution of the matter within 30 days. If they are unable to reach a joint decision, the President or the CEO/UMMC may request that a committee comprised of three (3) members of the Board of Directors and three (3) members of the Board of Regents be convened to meet and attempt to reach a resolution acceptable to the institutions' governing boards, using a process and procedures as shall be established by such ad hoc committee.

C. All records generated by UMMC related to the employment of Medical System University Personnel shall be the property of UMMC for all purposes. The University shall have access to all personnel records of Medical System University Personnel and may review and photocopy such records at the expense of UMMC. All business records, patient records and materials of any type whatsoever generated by University administrative units or by Medical System University Personnel in the course of performing services to UMMC pursuant to this Agreement, rather than in the course of the University's public business, shall be the property of UMMC. The University shall have access to such records and materials for its purposes including, but not limited to, audits of the costs of services to UMMC and evaluation of personnel performance. Unless prohibited by law, the University may review and photocopy such records and materials at its own expense.

D. The reimbursement due the University from UMMC is payable according to the following schedule:

1. Payments for services described in ARTICLE III are due in twenty-four equal installments payable on the fifteenth (15th) and thirtieth (30th) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year. Each installment shall be one-twenty-fourth of the total in Schedule 1.

2. Payments by UMMC for faculty services described in ARTICLE IV, paragraphs A, B and C, and Schedules 2A, 2B, 2C, 3 and 4 are due in installments of one-twenty-fourth of the total of payments stated in those Schedules. Installments are due the fifteenth and thirtieth days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

3. Payments by UMMC described in ARTICLE VI, Section B (relating to Medical System University Personnel), and ARTICLE VI, Section E (related to split-funded employees), will be made semi-monthly on the fifteenth (15th) and thirtieth (30th) days of each month ((except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

E. 1. Compensation due from the University to UMMC for space usage will be payable in installments of one-twenty-fourth of the total stated in Schedule 5. Installments are due the fifteenth and thirtieth days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

2. Compensation from the School of Nursing for faculty services as described in Article IV, Section D, will be payable in a single payment due no later than June 30, 2020.

F. If any State general funds are appropriated to USM for the Fiscal Year for use of UMMC, the general funds will be paid to UMMC by USM in two equal installments due July 1, 2019 and January 1, 2020.

G. 1. The University shall invoice UMMC (a) once for semi-monthly payments due to USM or the University pursuant to this Agreement and (b) periodically, as provided in this Agreement, for other billable services and cost reimbursements. UMMC semi-monthly payments to the University will be made by electronic funds transfer in accordance with instructions provided by the University. Other payments from UMMC to the University will be made by electronic funds transfer if feasible and if payment information is provided by the University when required payments are invoiced. If UMMC is unable to pay any University obligation by electronic funds transfer, payment shall be made by check to the University as promptly as possible after the due date for the payment.

2. Payments due the Medical System Corporation from the University shall be paid by the State of Maryland by check, using check mailing instructions provided by UMMC.

3. If the due date for any payment is a date when the payee's offices are closed, the payment shall be made on the next day that both parties' offices are open.

4. If any payment due the University from UMMC pursuant to this Agreement is not transferred to or delivered to the University within one week of its due date, the amount due will accrue interest at the rate of six percent (6%) per annum from the date the payment was due until the date it was received by the University.

5. If any payment due UMMC from the University pursuant to this Agreement is not transferred to or delivered to UMMC within thirty (30) days of its due date, the amount due will accrue interest at the rate of three percent (3%) per annum from the date the payment was due until the date it was received by UMMC.

H. The term of this Agreement is July 1, 2019 through June 30, 2020.

I. If USM and the Medical System Corporation do not enter into an annual contract for the fiscal year ending June 30, 2021, this 2020 Agreement shall remain in force until another annual contract is approved, subject to the following changes:

1. Unlike “base” support, payment of “seed” support, which relates to specific positions and specific time periods, shall continue until the end dates stated in Schedule 2B. The “seed” commitments may cover multiple fiscal years. If this 2020 Agreement shall remain in force after the end of the Fiscal Year due to the effect of Section 13-306(d) of the Medical System Law, the University waives any right it may have, under this Agreement, to receive “seed” support after the scheduled end date of such support as stated in Schedule 2B. For example, if this Agreement remains in force in Fiscal Year 2020 by operation of law, any “seed” commitment stated in Schedule 2B which is identified as ending at the end of Fiscal Year 2020 will not be paid to the University in Fiscal Year 2021 or thereafter, and the University waives any right it has, due to continuation of this Agreement by operation of law, to claim payment of that “seed” commitment in Fiscal Year 2021 or thereafter.

2. Either party may increase costs to be reimbursed to reflect any increase in salaries, fringe benefit costs, and other personnel costs associated with services provided by that party to the other party.

3. On an ongoing basis during the Fiscal Year, the University’s payments from UMMC for faculty physician services may be adjusted as provided in Section K, Paragraph 4, of this ARTICLE X. In addition, costs may be shifted between Schedule 2A and Schedule 2C if UMMC clinical services are relocated to or expanded to Midtown, or vice versa.

4. If the University was notified pursuant to ARTICLE III of UMMC's intention to discontinue procurement of any administrative service from the University as of July 1, 2020 and such notice was timely and remains in effect on April 1, 2020 then the University

shall discontinue that service on July 1, 2020 and the costs for such service shall be deducted from reimbursement due to the University under Schedule 1.

J. Proposed amendments to this Agreement, including amendments of the Exhibits and Schedules, must be stated in writing, and must be considered and recommended to the Board of Directors and the Board of Regents in the same manner that this Agreement was considered and recommended unless the two boards specify a different procedure.

K. 1. Without formal amendment of this Agreement, the President and the CEO/UMMC may by written agreement:

(a) Increase or decrease the services provided to the Medical System Corporation at UMMC or Midtown by the University, provided that any such change in faculty services provided by a University school will not result in a cumulative increase or decrease of more than twenty-five percent (25%) in the total agreed cost of faculty services provided by that School as shown on Schedule 2A, 2B, 2C, 3 or 4;

(b) Increase or decrease the space of one party used by the other party, if such change will not result in a cumulative increase or decrease of more than ten percent (10%) in the compensation paid to the Medical System Corporation as shown on Schedule 5.

2. Any actions pursuant to Paragraph 1 of this Section shall be effective as of the date agreed by the President and the CEO/UMMC. Payments thereafter shall be adjusted appropriately.

3. The President and the CEO/UMMC may delegate to appropriate officers reporting to them authority to increase or decrease administrative services provided to UMMC by the University.

4. Pending execution of contract amendments, changes in support from one party to the other may be made if the cumulative changes are within the limits for change by informal amendment set forth in this Section K and if the following conditions are satisfied:

(a) Increases or decreases of compensation for services of School of Medicine faculty. As evidence of authorization of increases, there must be signed documentation reflecting the approval of the CEO/UMMC or designee and the Dean or designee. Documentation authorizing increases will be sent by UMMC to the School of Medicine Dean's Office; documentation authorizing decreases will be sent by the School of Medicine Dean's Office to UMMC.

(b) The University's payments from UMMC for School of Medicine faculty physician services at UMMC and Midtown will be decreased by the amount of anticipated salary and fringe benefit turnover savings in excess of \$1,500,000, the agreed turnover savings expectancy as reflected in Schedule 2A, resulting from turnover among faculty assigned at UMMC and Midtown and supported by the payments from UMMC. As confirmation of anticipated turnover savings, the Dean's Office of the School of Medicine will send periodic written notice to UMMC's Chief Financial Officer. If anticipated turnover savings exceed \$1,500,000, the School of Medicine Dean's Office and UMMC will adjust remaining semi-monthly payments accordingly. The University financial services offices will be notified by the School of Medicine Dean's Office of any adjustment made due to increased turnover expectancy.

L. Unless the University is instructed to the contrary by UMMC, the University shall make such of its records as are necessary to verify the nature and extent of the costs of services provided to UMMC and Midtown available to the Secretary of the United States Department of Health and Human Services, the United States Comptroller General, and their duly authorized representatives to the extent required by law for a period of four years after services were provided. Similar access to records and contracts between the University and organizations related to the University or under contract to the University also shall be made available, to the extent required by law.

M. 1. The compensation from UMMC to the University for faculty, staff and resident services (see Schedules 2A, 2B, 2C, 3 and 4) includes a charge for fringe benefits at a standard faculty fringe benefit rate set by the University (subject to approval of the United States Government) for use in University grants and contracts. To aid in the implementation of the fringe benefit rate, the University will reduce the total annual payment required from UMMC under Schedules 2A, 2B, and 2C by the sum of \$4,529,735. This adjustment will be applied pro rata against the payments referred to in ARTICLE X, Section D, Paragraph 2. This adjustment will not be increased if the total of Schedules 2A, 2B and 2C, or the total of any one of them, is increased by the parties' agreement. Consistent with federal requirements pertaining to use of standard fringe benefit rates, the University will not use or apply federal funds to reduce the payment due from UMMC as described in this Section.

2. For UMMC funding to support salary and fringe benefit costs of University faculty and staff employees with responsibilities to UMMC and/or Midtown, as described in Schedules 2A, 2B, 2C and 3, ARTICLE VI, Section B, and ARTICLE X, Section D, Paragraph 3, the standard University fringe benefit rate for the relevant category of personnel will be used. For the Fiscal Year, the rates are 25.3% for faculty, 39.2% for exempt staff and 18.5% for residents.

Fringe benefit changes during the Fiscal Year will be applied as of their effective date, and UMMC will be notified by the Dean's Office or UMB financial services of revised rates and adjustments to required semi-monthly payments.

N. SECTION INTENTIONALLY OMITTED.

O. No provision of this Agreement requiring the Medical System Corporation or UMMC to defend, indemnify, and hold harmless the State, the University, USM, or their personnel, is intended to waive the defenses of sovereign immunity, limited immunity, or any other immunity, or to waive any other defense available to any claim or action being defended by the Medical System Corporation pursuant to this Agreement. The Medical System Corporation or UMMC may assert on behalf of USM or the University all defenses that might be asserted by the Office of the Attorney General in opposition to such claims or actions. No provision of this Agreement requiring the Medical System Corporation or UMMC to defend, indemnify and hold harmless the State, the University, USM, or their personnel is intended to limit, waive, or release the Medical System Corporation's or UMMC's right or ability to sue or otherwise pursue any claim, lawsuit, loss, damage, or liability against any State, University or USM personnel resulting from such personnel's criminal conduct, gross negligence or malice outside the scope of public duties, including, but not limited to, embezzlement or other improper or illegal diversion of funds. The Medical System Corporation or UMMC will advise the President, the University, and the Office of the Attorney General before initiating any such action.

P. UMMC and the School of Medicine are part of an organized healthcare arrangement under the Health Insurance Portability and Accountability Act of 1976 ("HIPAA" - Public Law Number 104-191). UMMC and the University are not a single affiliated covered entity for HIPAA purposes.

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ARTICLE XI. SUBSIDIARIES

The University approves the establishment of non-profit or for-profit subsidiaries or entities related to the Medical System Corporation subject to the conditions set forth in this ARTICLE XI. “Subsidiary” as used in this Article refers to a subsidiary or related entity, as defined in Section A.

A. Definitions

1. “Subsidiary” means a stock corporation if a majority of any class of its voting stock is owned by the Medical System Corporation, another subsidiary, or a related entity.
2. “Related entity” means any non-stock entity if the Corporation owns a controlling interest in the entity or controls election or appointment of a majority of the entity’s governing board.

B. Conditions Applicable to All Subsidiaries

The Board of Directors of the Medical System Corporation may establish or acquire subsidiaries. Unless otherwise specifically provided by action of the Board of Regents, State law, or other provisions of this Agreement, the following conditions shall be observed with respect to each subsidiary.

1. No land or buildings transferred at any time to the Medical System Corporation by the State or the University shall be transferred to a subsidiary without prior approval of the Board of Regents.
2. If the President of the University concludes at any time that the purpose of any subsidiary includes an activity affecting the educational or research activities of any professional school at the University, the President may name one of the members of the board of directors of the subsidiary.
3. The Medical System Corporation will require the subsidiary to indemnify any director named by the President to the fullest extent permitted by Maryland law and shall maintain commercial directors’ and officers’ liability insurance or other adequate insurance to protect the director from financial risk or loss. The director named by the President shall in no event be protected less fully than any other director of the subsidiary.

4. The Medical System Corporation shall defend, indemnify and hold harmless the University, the Board of Regents, and the officers and employees of the University with respect to any claims, demands, actions or suits asserted against the University relating to activities of a subsidiary. In the course of providing defense hereunder, the Medical System Corporation may raise defenses of sovereign immunity and other immunities available to the University to the extent provided by Maryland law and will consult with the Attorney General's Office as appropriate. It is the intention of the parties that no defense available to the University, the Board of Regents or officers or employees of the University shall be waived or limited as a result of the Medical System Corporation's agreement to defend and indemnify the University, the Board of Regents, and officers and employees of the University.

5. Unless otherwise specified in a written agreement between the President and the Chief Executive Officer, (a) subsidiaries of the Medical System Corporation shall have no contractual or operational relationship with the University other than affiliations for educational programs; and (b) the University shall have no involvement in the management or day to day operation of subsidiaries.

6. Annually, in connection with preparation of the Annual Contract, the Medical System Corporation shall report to the University the names and functions of all extant subsidiaries. If the Board of Regents determines that the Annual Contract should not grant continued approval for the operation of any subsidiary, the Medical System Corporation will terminate the subsidiary status of the entity in question. A term of one year shall be allowed for this action.

C. Existing Subsidiaries and Special Provisions

1. The subsidiaries of the Medical System Corporation as of June 30, 2019 are listed in Schedule 6. The Dean-M is required to be an ex officio voting member of the board of directors of the James Lawrence Kernan Hospital, Inc. (d/b/a University of Maryland Rehabilitation & Orthopaedic Institute), and Paragraph 2 of Section B is not applicable to that hospital.

2. Midtown, which is a subsidiary, is subject to the provisions concerning it that are included in this Agreement.

3. USM and the University approve the establishment of the Medical Center LLC as a subsidiary of the Medical System Corporation, as set out in State law, provided that the President of the University and the Dean-M are voting members of the Medical Center LLC board.

IN WITNESS WHEREOF, the parties, by their authorized officers, execute this Agreement.

UNIVERSITY SYSTEM OF MARYLAND

by University of Maryland, Baltimore

By: _____

Jay A. Perman, MD
President
University of Maryland, Baltimore

Date

UNIVERSITY OF MARYLAND
MEDICAL SYSTEM CORPORATION

By: _____

John W. Ashworth, III
Interim President and CEO
University of Maryland Medical
System Corporation

Date

By: _____

Mohan Suntharalingam
President & Chief Executive Officer
University of Maryland Medical Center, LLC

Date

05/2019
sk1FY20

SCHEDULE 1 - F.Y. 2020

PAYMENT TO UMB
FOR ADMINISTRATIVE SERVICES

Administrative Services (Exhibit B)

Facilities Management (Operations and Maintenance)	\$ 18,555
Police Department	<u>572,004</u>
Subtotal	\$ 590,559
Environmental Health and Safety (Exhibit C)	<u>588,782</u>
TOTAL	\$1,179,341

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SCHEDULE 2A - FY 2020
SCHOOL OF MEDICINE FACULTY SERVICES
BASE PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER

Department	Base Amount
Anesthesiology	12,566,725
Critical Care	2,443,421
Dermatology	173,048
Diagnostic Radiology	6,396,714
Emergency Room	4,177,728
Family Medicine	373,007
Infection Control / Epidemiology	326,701
Medicine	5,850,513
Neurology	1,501,252
Neurosurgery	553,408
OB/Gyn	5,148,117
Oncology	2,203,933
Ophthalmology	443,334
Orthopedics	2,617,971
Otorhinolaryngology	795,610
Pathology	3,114,392
Pediatrics	6,497,034
Psychiatry	5,370,033
Radiation Oncology	1,968,297
Shock Trauma	8,046,504
Surgery	7,295,719
Total Salary	77,863,461
Fringe Benefits Estimated at 25.30%	19,699,456
Total Salary plus Fringes	97,562,917
Less: Turnover Savings	(1,500,000)
Total Salary & Fringe Net of Turnover	96,062,917

Projected cost excludes new budgeted positions not yet recruited/filled as of May 7, 2019. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.

Turnover savings is the projected amount for fiscal year 2020. In the event that the turnover savings amount is under-achieved, the Medical System will pay 50% of the difference not to exceed \$750,000 as provided in the annual contract.

SCHEDULE 2B - FY 2020 - 2023
SCHOOL OF MEDICINE FACULTY SERVICES
SEED PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER

<u>Department</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
Anesthesiology	-	-	-	-
Critical Care	868,075	824,671	783,438	744,266
Dermatology	87,363	82,995	78,845	74,903
Diagnostic Radiology	-	-	-	-
Emergency Room	-	-	-	-
Family Medicine	-	-	-	-
Infection Control / Epidemiology	-	-	-	-
Medicine	10,190,415	9,680,895	9,196,850	8,737,007
Neurology	375,636	356,854	339,011	322,061
Neurosurgery	2,048,698	1,946,263	1,848,950	1,756,502
Ob/Gyn	852,452	809,829	769,338	730,871
Oncology	418,915	397,969	378,071	359,167
Ophthalmology	-	-	-	-
Orthopedics	1,676,779	1,592,940	1,513,293	1,437,628
Otorhinolaryngology	950,963	903,415	858,244	815,332
Pathology	-	-	-	-
Pediatrics	2,746,281	2,608,967	2,478,519	2,354,593
Psychiatry	-	-	-	-
Radiation Oncology	-	-	-	-
Shock Trauma	-	-	-	-
Surgery	6,020,221	5,719,210	5,433,249	5,161,587
Total Salary	\$ 26,235,798	\$ 24,924,008	\$ 23,677,808	\$ 22,493,917
Fringe Benefits Estimated at 25.30%	6,637,657	6,305,774	5,990,485	5,690,961
Total Salary plus Fringes	\$ 32,873,455	\$ 31,229,782	\$ 29,668,293	\$ 28,184,878

Projected cost excludes new budgeted positions not yet recruited/filled as of May 7, 2019. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.

Seed funding for fiscal year 2020 represents development funding as agreed by UMMC and UMSOM for each Department. Where specific three-year seed funding commitments exist, the seed support has been outlined for fiscal years 2020 through 2023.

Fiscal year 2020 through fiscal year 2023 seed support outlined assumes a stable operating and reimbursement environment for Maryland hospitals. Should unforeseen circumstances arise in the future that have a negative effect on UMMC's operating performance, continuation of this support, as well as relevant services provided, would, if necessary, be re-evaluated mutually. In the event that seed support is discontinued before the expiration of the three-year seed funding period, UMMC will provide UMSOM with written notice at least one month before UMSOM notification requirements for non-renewal of faculty appointments.

SCHEDULE 2C - FY 2020
SCHOOL OF MEDICINE FACULTY SERVICES
BASE PAYMENTS FROM UNIVERSITY OF MD, MIDTOWN

Department	PSC: Total Base Support
Anesthesiology	1,478,627
Critical Care	-
Dermatology	-
Diagnostic Radiology	-
Emergency Room	2,210,789
Family Medicine	-
Infection Control / Epidemiology	-
Medicine	5,717,554
Neurology	200,293
Neurosurgery	-
OB/Gyn	-
Oncology	-
Ophthalmology	823,493
Orthopedics	1,048,216
Otorhinolaryngology	210,080
Pathology	75,121
Pediatrics	21,397
Psychiatry	1,781,537
Radiation Oncology	-
Shock Trauma	-
Surgery	383,867
Total Salary	13,950,974
Fringe Benefits Estimated at 25.30%	3,529,596
Total Salary plus Fringes	17,480,570

Projected cost excludes new budgeted positions not yet recruited/filled as of May 7, 2019. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.

05/2019
sk3FY20

SCHEDULE 3 - F.Y. 2020

PHARMACY SCHOOL/MEDICAL SYSTEM CORPORATION

PAYMENTS FROM MEDICAL SYSTEM CORPORATION TO SCHOOL OF
PHARMACY

	<u>Amount</u>
Faculty	\$618,611
Staff	368,552
Residents	168,500
Fringe Benefits @25.3% (faculty), 39.2% (staff), 18.5% (resident)	<u>332,154</u>
<u>Subtotal</u>	\$1,487,817
Operating Expense – General Operating Residents	3,000
	<hr/>
TOTAL	<u>\$1,490,817</u>

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sk4FY20

SCHEDULE 4 - F.Y. 2020
DENTAL SCHOOL FACULTY SERVICES
PAYMENTS FROM MEDICAL SYSTEM CORPORATION

<u>Department</u>	<u>Payment</u>
Dental School - UMMS	\$ 471,487
Fringe Benefits @ 25.3%	119,286
	<hr/>
TOTAL	\$ 590,773

{00108218-1}

05/2019
sk5FY20

SCHEDULE 5 - F.Y. 2020
COMPENSATION FOR SPACE USAGE
WITHIN OTHER PARTY'S FACILITIES

Net owed to Medical System Corporation by UMB: \$1,157,304

{00108219-1}

SCHEDULE 6 – F. Y. 2020

UNIVERSITY OF MARYLAND
MEDICAL SYSTEM CORPORATION SUBSIDIARIES

1.	36 S. Paca Street, LLC
2.	CMROC, LLC
3.	Dimensions Assurance Limited
4.	Dimensions Health Corporation
5.	James Lawrence Kernan Hospital Endowment Fund, Inc.
6.	James Lawrence Kernan Hospital, Inc.
7.	MD Medicine Comprehensive Ins. Program
8.	Mt Washington Pediatric Hospital, Inc.
9.	Terrapin Insurance Company
10.	UM Capital Region Health, Inc.
11.	UMMC I, LLC
12.	UMRMC I, Inc.
13.	UMRMC, LLC
14.	UMSJ Health System, LLC
15.	University of Maryland Baltimore Washington Medical System, Inc.
16.	University of Maryland Care Transformation Organization, LLC
17.	University of Maryland Charles Regional Health, Inc.
18.	University of Maryland Ecare, LLC
19.	University of Maryland Health Ventures, LLC
20.	University of Maryland Medical Center, LLC
21.	University of Maryland Medical System Foundation, Inc.
22.	University of Maryland Medicine ASC, LLC
23.	University of Maryland Midtown Health, Inc.
24.	University of Maryland Quality Care Network, LLC
25.	University of Maryland Shore Regional Health, Inc.
26.	University of Maryland Upper Chesapeake Health System, Inc.
27.	UniversityCare, LLC

EXHIBIT A - F.Y. 2020

MEDICAL SYSTEM CORPORATION
PRE-CLINICAL EDUCATION REQUIREMENTS

(applicable to UMMC, Kernan, and Midtown (collectively, "Affiliated Sites"))

I. Education

- A. Universal Blood/Body Fluid Precautions & Infection Control (OSHA)
- B. Prevention of Hepatitis B Virus Infection (OSHA)
- C. Handling of Contaminated Needles and other Sharps (OSHA)
- D. Management of Blood Spills (OSHA)
- E. Procedures of Reporting and Management of Occupational Exposure to Blood/Body Fluids/Tissue (OSHA)
- F. Fire Safety (OSHA)
- G. Hazardous Materials (OSHA)
- H. Health Insurance Portability and Accountability Act (HIPAA)

II. Health Insurance

Students must have health insurance satisfying UMB requirements. The health care sites will provide first aid for minor illnesses or injuries, at expense of students, or students may seek first aid from the UMB Student Health office.

III. Immunizations/Evidence of Immunity/Other Health Information

- A. Measles/Mumps/Rubella
- B. HBV vaccination or certificate of declination
- C. Varicella
- D. Negative PPD for Tuberculosis, or other medical evidence acceptable to the health care site if PPD is not negative

IV. Documentation

UMB shall maintain documentation that students assigned to Affiliated Sites have satisfied the above requirements.

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EXHIBIT B - F.Y. 2019

FACILITIES MANAGEMENT (OPERATIONS AND MAINTENANCE):

Trash pickup along the south side of Baltimore Street from Arch Street to Greene Street. This includes sweeping and picking up litter. Emptying trash can is not included.

Using plows or snow throwers, but not by hand shoveling, to open the following areas to vehicular traffic:

-- Ambulance bays along the east side of Penn Street between Lombard and Redwood Streets; and

-- Loading dock facilities at the rear of UMMC adjoining Arch and Redwood Streets south of Baltimore Street.

In case of extraordinary snow events (generally six inches and above) UMB may bring in outside snow removal contractors. UMMC will reimburse UMB for an appropriate share of the cost of such contractors if UMMC requires services of the contractors.

Also, in case of extraordinary event, UMB, subject to availability of personnel and equipment of UMB and/or its contractors, will assist UMMC upon request in opening and maintaining sidewalks adjoining UMMC.

MAIL SERVICES:

Delivery and pick up of mail to and from UMMC central mailroom.

POLICE DEPARTMENT:

UMB will provide supplemental Police Department services for UMMC, supporting the UMMC Security Operations. The UMB Chief of Police or designee and the UMMC Director of Security will agree upon protocols for (a) notice to UMMC of security/safety incidents that may impact or concern UMMC;

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(b) compliance with regulatory requirements applicable to UMMC, including JCAHO standards; and (c) compliance with requirements of the federal Clery Act applicable to UMB that include emergency reporting rules, criminal activity data reporting, and annual reporting for an area including UMB, UMMC, and some adjacent properties that are owned or leased by UMMS or other UMB and UMMC affiliates.

- A. In return for UMMC support paid to UMB, the UMB Police Department shall include one uniformed police officer, 24 hours a day, 7 days per week, integrated into the campus patrol.
- B. The duties and responsibilities of the police officer supported by UMMC payments and integrated into the campus patrol will include but will not be limited to patrolling the corridor used by pedestrians between UMMC and the Lexington Market, enhancing the UMMC staff and visitors' ability to safely use the pedestrian corridor on Paca Street between UMMC and the Market area.
- C. UMMC will seek the emergency or non-emergency services of the Baltimore City Police Department (BCPD) in the event police services inside UMMC or UMMS building, or on UMMC or UMMS property, are requested by UMMC. The UMB Police will respond upon the request of the BCPD in emergency situations.
- D. The UMB Chief of Police or designee will advise the UMMC Director of Security of any incidents that may occur on the UMB campus that the Police Department is aware of that could negatively impact UMMC, its patients, staff, and visitors. The UMMC Director of Security will coordinate the sharing of information to UMB Chief Police or designee about crimes that may pose a serious threat to the health or safety of the campus and near-campus communities to facilitate the issuance of Clery Act-required timely warnings and emergency notifications. The Parties acknowledge that UMB need not obtain the approval to issue any warnings/notifications, nor is UMB required to seek preclearance of the content of any warning/notification. However, the Parties will create a system to inform each other about such warnings. For purposes of this paragraph D, "UMB campus" means all UMB-owned buildings, garages, parks, and other grounds on the east side of Martin Luther King Jr. Blvd. between Washington Blvd. and Saratoga Streets, and "UMMC complex" means UMMC buildings (to include the R Adams Cowley Shock Trauma Center), UMMS owned or controlled parking lots and garages, the Paca/Pratt Building, and any other buildings on the UMB campus owned, leased or managed by UMMC or UMMS.

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- E. The payment by UMMC for UMB Police Department services shall be in the amount, and payable upon the schedule, provided in the Annual Contract between UMB and UMMS. The payment compensates UMB for the services of one police officer, 24 hours per day, 7 days per week, and associated supervisory and administrative costs. This payment will cover the cost of salaries and fringe benefits of the officers required to staff a position on a 24/7/365 basis.

- G. The UMB Police Department shall maintain records and issue reports to the UMMC Director of Security to include documentation of any:
 - 1. Overtime paid to officers involved in UMMC related arrests;
 - 2. Court time for court appearances by officers involved in UMMC related arrests; and
 - 3. Copies of police reports concerning UMMC related arrests.

- H. On a fee for service basis, total cost not to exceed \$5,000 per year without the prior authorization of the UMMC Director of Security, the UMB Police Department will charge UMMC for services described in G.1 and G.2 above.
 - 1. Bills for court time will be supported by documentation of the case, the subpoena issued to any UMB police officer whose court time is being charged, and a court clerk sign off evidencing the officer's attendance in response to a subpoena.
 - 2. Court time or overtime will be billed at UMB's cost, taking into account shift differentials as applicable.

- I. The UMB Police Department shall maintain records of services provided to the UMMC complex upon request of the BCPD in response to emergency or non-emergency calls. A copy of the records shall be provided to UMMC on a quarterly basis. The records shall include:
 - 1. Number of BCPD calls for support for emergency service, and number of calls for support for non-emergency service

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2. Nature of calls
 3. Number of arrests
 4. Number of persons arrested by sex and age
 5. Number of noncriminal calls
 6. Nature of assistance given
 7. Location of reported incidents
 8. Unit response time
 9. Amount of time spent handling calls for service
- J. The UMB Police Department will supply the UMMC Director of Security with detailed support documentation for any fee for service activity.
- K. Unless otherwise provided by any section of the Annual Contract or the laws of Maryland applicable to UMMC or UMMS, (1) the Attorney General of Maryland, or a member of the Attorney General's office or counsel designated by the Attorney General, shall appear in a civil action against a police officer to represent the officer, subject to the determination of the Attorney General that the officer is eligible for State representation as provided in the State Government Article, sections 12-304 to 12-310; and (2) the State of Maryland shall provide adequate funds for the satisfaction of any monetary award that has been rendered against a police officer in connection with a claim related to the officer's duties, subject to the requirements of the State Government Article, sections 12-401 to 12-406.

Exhibit C – F.Y. 2020
UMB Environmental Health and Safety (EHS) Services

UMB EHS provides services to UMMC in two major program areas. *Radiation Safety Services* are provided under the University of Maryland Baltimore (UMB) Broad Scope License and is managed by the UMB Radiation Safety Officer (RSO) with the assistance of several health physicists and support from the EHS Operations unit. The *Hazardous Chemical Waste Management Program* is managed by an EHS Assistant Director with support from the EHS Operations unit. Administrative support is provided for the dosimetry program and various recordkeeping and financial activities through the administrative support group at EHS. Program management for this agreement is provided by the Director of EHS.

A. Radiation Safety Services include the following:

- 1) Radiation Safety Officer (RSO). Provide the services of a qualified RSO as designated on the UMB Broad Scope License (#07-014-01-MD) and approved by the Maryland Department of the Environment. The RSO is responsible for the implementation of the radiation safety program in UMMC.

- 2) UMB Broad Scope License. Maintain the UMB Broad Scope License to enable the use of diagnostic and therapeutic radioactive materials and radiopharmaceuticals by established policy and procedures. This includes:
 - a) Coordinate and participate in the biannual MDE radioactive materials inspection
 - b) Conduct biannual increased controls inspection
 - c) Provide support for Centers for Medicare and Medicaid Services (CMS) and Joint Commission inspections as needed
 - d) Coordinate license amendments for new procedures
 - e) Maintain Authorized Users' status in Nuclear Medicine and Radiation Oncology physicians, Residents, Fellows, Medical Physicists, X-ray and Nuclear Medicine technologists and other professionals

- 3) Radiation Safety Committee. Administer a Radiation Safety Committee (RSC) to include physicians, hospital administration, ancillary personnel, and Authorized User members. This includes:
 - a) Facilitate a quarterly RSC, Human Use Subcommittee (HUSC), and Radioactive Drug Research Committee (RDRC)
 - b) Develop, coordinate, distribute, and edit meeting minutes along with applicable follow-up
 - c) Develop and distribute quarterly and annual reports

- d) Conduct procedure and policy review
 - e) Conduct ALARA program review
 - f) Provide necessary radiation safety compliance and safety support
- 4) Radiation Exposure Monitoring. Maintain a Radiation Exposure Monitoring Program for personnel who work under the University of Maryland Baltimore Broad Scope License or who work with radiation producing machines. This includes:
- a) Distribute, collect, and process dosimeters assigned to approved persons working at UMMC or approved locations within UMMC in accordance with the regulatory requirements outlined in COMAR 26.12.01.01, Sections D.201, D.202, D. 208, D.502 and D.1107
 - i. Dosimetry is used in Nuclear Medicine, Radiation Oncology, Radiology, and for ancillary personnel
 - ii. The costs associated with dosimeters and their analysis by a National Voluntary Laboratory Accreditation Program (NVLAP) accredited vendor is the responsibility of UMMC and will be billed quarterly by UMB EHS
 - b) Review exposure reports of employees who exceed exposure goals as set by the Radiation Safety Committee, or as necessary
 - c) Follow up, evaluate, and where indicated, perform an investigation into the circumstances surrounding unusual exposures or overexposures measured by dosimeters
 - d) Provide exposure summaries to other institutions upon receipt of an approved release form (in accordance with COMAR 26.12.01.01 Section D.205) for former UMMC employees that were previously enrolled in the dosimetry program
 - e) Request and review prior employment exposure history for new UMMC employees enrolled in the University of Maryland Baltimore exposure control program in accordance with COMAR 26.12.01.01 Section D.205
 - f) Evaluate potential exposure for declared pregnant workers by reviewing their exposure history. Based on the result of this review, communicate with the employee, the employee's supervisor, and UMMC management about recommendations for possible changes to assigned duties
 - g) When determined to be necessary by the Radiation Safety Officer, use various bioassay methods to determine internal deposition of radioactive materials and resultant dose from absorption, ingestion, injection, or inhalation as a result of spills, accidental releases, or through certain therapeutic administrations of radioactive materials

- h) Provide monitoring in areas that have the potential to reach or exceed dose limitations as outlined in COMAR 26.12.01.01 Section D.301
 - i) Track individual, group, and overall exposure trends as determined to be necessary by UMB EHS
 - j) Administer the As-Low-As-Reasonably-Achievable (ALARA) exposure reduction program as required by COMAR 26.12.01.01 Part D
- 5) **Radioactive Materials Receipt and Inventory Control.** Maintain a Radioactive Materials Receipt and Inventory Control program covered under the UMB Broad Scope License in accordance with the license conditions and COMAR 26.12.01.01 Part A.4 and C.43 (g).
- 6) **Shipping of Radioactive Materials.** Provide packaging and transportation preparation assistance for off-site shipments in accordance with state and federal regulations for radioactive materials that were obtained under the UMB Broad Scope License.
- 7) **Therapeutic Procedures.** Provide health physics radiation safety services for therapeutic procedures using radioactive materials. Services include facility preparation, procedure monitoring, post-treatment contamination evaluation, site decontamination, and disposal of contaminated materials for the following:
- a) Iodine – 131 Abalation procedures. The support described above will be provided for up to 12 procedures in the contract period. Support for procedures in excess of 12 will be billed to UMMC at the rate of \$1,000 per procedure.
 - b) Yttrium - 90 Sirsphere and Therasphere procedures. The support described above will be provided for up to 150 procedures in the contract period. Support for procedures in excess of 150 will be billed to UMMC at the rate of \$350 per procedure.
 - c) Gliasite procedures. The support described above will be provided for up to 2 procedures in the contract period. Support for procedures in excess of 2 will be billed to UMMC at the rate of \$350 per procedure.
 - d) For support of radioactive materials procedures not named above, support will be billed to UMMC at the rate of 60\$ per hour for technical staff and \$100 hour for the radiation safety officer.
- 8) **Sealed Sources.** Conduct radiological and contamination monitoring, inventories, and area surveys for sealed radioactive sources used under the

UMB Broad Scope License in accordance with COMAR 26.12.01.01 Part C. 37, C.43 (g) and D.40.

- 9) **Blood Bank Irradiator.** Provide services for the Blood Bank irradiator including leak testing and inventory of the sealed sources, continuous area monitoring with dosimetry, periodic inspections, radiation level surveys, and radiation safety training for Blood Bank staff.
- 10) **Inspections and Compliance.** Administer an inspection and compliance program that includes the following:
 - a) Conduct periodic audits of areas where radioactive materials are used under the UMB Broad Scope License to determine compliance with applicable license conditions and State regulations
 - b) Provide recommendations, guidance, and oversight for the implementation of actions required to control radiation exposure to UMMC personnel that work in areas where radioactive materials are used under the UMB Broad Scope License
- 11) **Training.** Provide training in various applicable topics to personnel using radioactive material obtained under the UMB Broad Scope License as required by license conditions and COMAR 26.12.01.01 Part J.12 and G.310 and G.410.
- 12) **Emergency Response.** Provide 24-hour emergency response for radiation accidents/incidents at locations within UMMC where radioactive materials are used under the UMB Broad Scope License.
 - a) During normal business hours (8:00 a.m. – 4 p.m. M-F), response time will be 90 minutes or less following notification.
 - b) After regular EHS business hours, on weekends, and holidays, response time will be 4 hours or less.
- 13) **Radiation Producing Machines.** This program includes the following services:
 - a) Conduct certification inspections, completion of associated paperwork, and follow-up inspections, as needed
 - b) Conduct annual compliance testing to include, but not limited to, evaluation of compliance with COMAR 26.12.01.01 Section F
 - c) Conduct other testing instances such as acceptance testing, inspections following repair or component changes, or other follow-up inspections as deemed necessary by EHS
 - d) Provide consultation related to regulatory compliance and other radiation safety issues pertaining to radiation-producing machines
 - e) Provide assessments of patients' radiation dose
 - f) Develop and submit paperwork to renew UMMC's radiation-producing machine registrations, which are issued by MDE. Develop and submit paperwork to add units to and remove units from UMMC's registrations

- g) Develop and distribute a quarterly report for the Radiation Safety Committee
 - h) Conduct radiation safety audits to include notification of potential violations and suggestions for corrective actions to be taken by UMMC
 - i) Provide annual UMMC radiation safety training for UMMC employees
 - j) Provide Fluoroscopic Certification training for UMMC physicians using fluoroscopy
 - k) Upon request of UMMC, and subject to the availability of EHS resources, perform shielding design for radiation producing machines covered by this agreement.
- 14) Radioactive Waste Management. These services include:
- a) Provide technical assistance to UMMC personnel in the identification and management of radioactive waste generated under the UMB Broad Scope License
 - b) Collect and process radioactive waste consigned to UMB for on-site disposal
 - c) Review procedures and records for radioactive waste held for on-site decay by UMMC's Nuclear Medicine Pharmacy
 - d) Prepare radioactive waste for off-site disposal to include preparation of radioactive waste manifests
 - e) The costs associated with analysis and actual disposal of radioactive materials is the responsibility of UMMC and will be billed quarterly
- 15) The University is responsible for research support. Human subjects protocol reviews and follow-up are excluded from these Radiation Safety Services.

B. Hazardous Chemical Waste Management. These services include the following:

- 1) Services will be provided for UMMC facilities covered under Hazardous Waste Generator Permit No. MDD150702553.
 - a) Coordinate UMMC participation in a University System of Maryland contract for the disposal of chemical waste
 - b) Provide technical assistance to UMMC personnel for the identification and proper handling and management of hazardous chemical waste
 - c) Pick and up and movement of hazardous chemical waste from the point of generation to facilities designated for use by UMMC for the accumulation, processing, and temporary storage of hazardous chemical waste
 - d) Prepare the Hazardous Waste Manifest (Form OMB No. 2050-0039) in accordance with 40 CFR 262.20 and the Land Disposal Restriction form in accordance with 40 CFR 268.7 for signature by UMMC personnel
 - e) Prepare and submit the biennial report in accordance with 40 CFR 242.41 for signature by UMMC personnel.
- 2) The costs associated with analysis of hazardous chemical waste; materials, supplies, and services used in the analysis or disposal; or modifications to the

accumulation facilities which may be necessitated by the quantities or types of waste generated will be the responsibility of UMMC. The costs will be included in quarterly billing. The cost for disposal of hazardous chemical waste will be the responsibility of UMMC and will be paid directly to the successful vendor of the contract awarded in B(1)(a).

- 3) In order for both parties to be in compliance with applicable laws, regulations, and standards for the management of hazardous chemical waste, the Medical System Corporation will:
 - a) If classified as a large quantity generator, write a contingency plan in accordance with 40 CFR 264 Subpart D and 40 CFR 265 Subpart D (can be combined with the Emergency Action/Fire Prevention Plan required by 29 CFR 1910.132)
 - b) Train UMMC hazardous waste personnel per COMAR 26.13.05.02 and 49 CFR 172 Subpart H
 - c) Store hazardous waste at the point of generation per 40 CFR 265.170-178
 - d) Hazardous waste storage facilities shall meet NFPA and IBC code requirements as well as the requirements in 40 CFR 265.1100
- 4) UMMC management is responsible for taking corrective actions in a timely fashion to ensure compliance with all aspects of this program based upon written recommendations from UMB EHS.

C. Contingencies

It is recognized by both parties that additional services may be needed during the contract term. These services may be an expansion of the type or number of existing services, or may be new services. UMB EHS has typically been able to manage these unrecognized services without additional cost through careful evaluation of priorities, the efficiency and productivity of EHS personnel, and in some instances, temporarily assigning EHS personnel from other areas to assist.

If during the contract term, UMB EHS is asked by UMMC to provide additional or new services, or UMB EHS identifies the need for a significant expansion of services to maintain compliance with the UMB Broad Scope License requirements and conditions that cannot be effectively managed by existing resources, UMMC management will be consulted regarding the need to increase the cost of the contract or direct bill for external contracted services. Examples may include extensive planning and radiation safety staff support for a new type of radiation therapy, extensive auditing and procedure review for a compliance inspection, or request for services for a new building or expansion of the existing facility.



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University of Maryland, Baltimore: Tuition Schedule for New MS Program

COMMITTEE: Finance Committee

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: The University of Maryland, Baltimore has proposed a new MS in Medical Cannabis Science and Therapeutics program within the School of Pharmacy. This new program will be offered at the Universities at Shady Grove campus. The program is awaiting approval from the Maryland Higher Education Commission (MHEC). It is anticipated that MHEC will approve the program in June with the first students entering fall 2019.

The graduate program is slated to include both online and face-to-face instruction and designed to “foster a deeper knowledge and understanding of the science, clinical therapeutics, and policy related to medical cannabis.” University officials hope the program will attract health care practitioners, scientists, growers, policy professionals and others with an interest in medical cannabis.

Medical cannabis was legalized in Maryland in 2013 and is regulated by the Maryland Medical Cannabis Commission.

ALTERNATIVE(S): The Board may elect to adjust the recommended tuition and fees rates. Any change in a rate would require a corresponding adjustment to expenditures in order to maintain a balanced budget.

FISCAL IMPACT: The projected total FY 2020 tuition and fees revenue from the MS in Medical Cannabis Science and Therapeutics program is \$173,000.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the tuition and fees rates for new the MS in Medical Cannabis Science and Therapeutics program as submitted.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

"NOTE: Notwithstanding any other provision of this or any other University System of Maryland publication, the University System of Maryland reserves the right to make changes in tuition, fees, and other charges at any time such changes are deemed necessary by the University System of Maryland institutions and the University System of Maryland Board of Regents."

SCHEDULE OF TUITION AND MANDATORY FEES
Fiscal 2020

	<u>FY 2019</u>	<u>FY 2020</u>	<u>Recommended Change Amount</u>	<u>%</u>
<u>UNIVERSITY OF MARYLAND, BALTIMORE</u>				
SCHOOL OF PHARMACY				
MS IN MEDICAL CANNABIS PROGRAM (Offered at USG Campus)				
In-State Tuition	N/A	631.70	N/A	N/A
Out-of-State Tuition	N/A	792.70	N/A	N/A
Technology Fee- per credit hour (not to exceed \$60.00 per semester)	N/A	10.00	N/A	N/A
Auxiliary Fees - Flat rate (unless noted):				
Student Government Association	N/A	22.00	N/A	N/A
USG Facilities Fee	N/A	20.00	N/A	N/A
Off Campus Services Fee - per credit hour (not to exceed \$60 per semester)	N/A	25.00	N/A	N/A
USG Auxiliary Fee -per credit hour	N/A	20.80	N/A	N/A

Notwithstanding any other provision of this or any other USM publication, the USM reserves the right to make changes in tuition, fees, and other charges at any time such changes are deemed necessary by USM institutions and the USM Board of Regents.



TOPIC: Towson University: Proposal for Undergraduate Differential Pricing

COMMITTEE: Finance Committee

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: Towson University (TU) is proposing market-based, differential pricing limited to three areas of study—the College of Business and Economics, the Department of Nursing, and the Department of Information and Computer Science. These areas of study meet five restrictive criteria: (1) high cost of instruction; (2) high demand by students; (3) high national standing; (4) high placement rate and salary upon graduation; and (5) high economic impact on the State. The detailed proposal with financial justifications, enrollment data and proposed rate structure is attached.

In the current rate structure of a “one-tuition-fits-all” approach, the higher cost to educate students in some majors is spread among all students. As such, the University has reallocated funds from lower cost to higher cost programs. This partial cross-subsidization is constrained by the need to preserve academic quality in lower cost programs.

When comparing Towson University to a combined set of our Carnegie Classification peers, four-year local institutions and our primary competitors, the University found the median differential tuition for these majors to be \$1,788 per year for two years, a total of \$3,577. TU’s proposal is to conservatively charge \$1,500 annually to juniors and seniors in these majors. **All current students will be “grandfathered” and thus not subject to the differential pricing.** In addition, the pricing will be phased-in over a period of three years. These steps allow time for appropriate communications in advance to staff, students, and parents.

TU proposes that junior and senior level business, nursing and computer science students will pay the annual standard tuition and mandatory fees *plus* the differential pricing. Resident and nonresident students will pay the same differential pricing. In FY 2020, the differential pricing will be \$500/year. Starting in FY 2022, the full differential will be in effect at \$1,500/year. Differential tuition will be capped at a maximum of \$3,000 per student. Enrollment in the three programs as of fall 2018 is (in full-time equivalent units) 1,600 in the College of Business and Economics, 432 in the Department of Nursing, and 437 in the Department of Information and Computer Science.

The new revenue from the differential rate, between \$4.2 million and \$5.0 million annually once fully implemented, will serve to enrich the education, attract more top in-state students, spur innovation and economic growth in Maryland, and strengthen the excellence and national standing of Towson University.

This gross revenue will be invested as follows:

- **Financial aid:** A minimum of 18%, to match our current budgetary financial aid allocation, will be reserved for grants for all very-low and low-income students as well as full scholarship students, thereby exempting them from the differential. Towson is prepared to increase the percentage to hold any impacted student groups harmless.

- **Academic excellence:** Up to 82% will go to enhance educational quality and national competitiveness (e.g., smaller classes; competitive faculty salaries, more faculty, advisers, career services, and internships; upgraded learning technology and lab instrumentation).

The University is also seeking an exception to Board of Regents Policy on Tuition-VIII 2.01. According to Section II.B of the policy,

“Tuition for each category of student at an institution will be established either as an annual cost or specified as a cost per credit hour. The tuition levels should be established in accordance with the following principles:

1. *Generally, undergraduate tuition within an institution should not vary by discipline or cohort, except for the professional schools at the University of Maryland, Baltimore. However, institutions may seek an exception to this policy.”*

ALTERNATIVE(S): The Board may elect to adjust the recommended tuition schedule.

FISCAL IMPACT: The projected gross revenue from the proposed differential pricing during the phase-in years is anticipated as follows: FY 2020 is expected to be minimal due to the “grandfathering,” FY 2021 is estimated to be approximately \$1.3 million/year and FY 2022 is \$2.8 million. By FY 2023, after full implementation, the increase in gross revenue is estimated to be between \$4.2 million and \$5.0 million/year.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for Towson University the proposed Undergraduate Differential Pricing as described above; and, authorize an exception to the Board of Regents Policy on Tuition-VIII 2.01 as permitted in Section II.B.1 of the policy.

Furthermore, the University shall provide an annual report to the Board of Regents that reflects the benefits and challenges of implementing tuition differential to the select programs.

COMMITTEE RECOMMENDATION:	DATE:
BOARD ACTION:	DATE:
SUBMITTED BY: Ellen Herbst (301) 445-1923	

Proposed Tuition Differential for Towson University

Commissioned by
Towson University

Regional Economic Studies Institute:
Dr. Daraius Irani, Chief Economist
Michael Siers, Director of Research
Catherine Menking, Research Manager
Zac Nickey, Senior Research Associate
Nick Wetzler, Economist
Jacob Leh, Research Associate I

May 9, 2019



Towson, Maryland 21252 | 410-704-3326 | www.towson.edu

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1.0 Executive Summary

Across the country, colleges and universities are faced with increasing costs to administer programs.¹ Within many majors, the cost to attract and retain excellent faculty has been rising, due to both increased competition from other institutions of higher education and from private employers.^{2,3} One solution used by an increasing number of universities and colleges is tuition differentials. Under tuition differential programs, students pay an increased amount for tuition based on some characteristic, most commonly the student's major or the associated program. Typically, tuition differentials help to offset the higher costs associated with providing certain majors. In fact, within the University System of Maryland (USM), the University of Maryland, College Park (UMCP) has also recently implemented tuition differential policies for several academic programs.

Towson University (TU) faces a similar situation as schools within and outside of USM. While TU offers students the opportunity to obtain a high-quality education for less than many of its peer institutions, costs to administer programs have been increasing and colleges have faced pressure to pay faculty and staff higher rates. To understand the options available to TU for tuition differentials, the university examined the potential for tuition differentials, specifically within three groups:

- The College of Business and Economics (CBE),
- The Department of Computer and Information Sciences, and
- The Department of Nursing.

TU's analysis examined costs, student class sizes, faculty retention challenges, and other issues facing these target departments that may specifically lend these groups to a tuition differential program. TU also examined wages for occupations associated with affected majors to ensure that Towson students graduating with degrees under a tuition differential program are well-positioned in Maryland's job market to recoup any additional expenditures made to obtain their degrees. TU identified appropriate levels for tuition differential programs based on rates found at peer institutions and instructional costs associated with each target department. TU also calculated estimated revenues that would be generated under a tuition differential program, and how that revenue will be allocated to continue to provide a high-quality, competitively priced education for students.

Major findings from the analysis are as follows.

¹ Sophie Quinton, "Why Universities Charge Extra for Engineering, Business and Nursing Degrees," Stateline, Pew Charitable Trusts, June 1, 2017, accessed April 10, 2019, <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/06/01/why-universities-charge-extra-for-engineering-business-and-nursing-degrees>.

² Jack Stripling, "In Recruitment Wars, a New Front," Inside Higher Ed, July 24, 2008, accessed April 15, 2019, <https://www.insidehighered.com/news/2008/07/24/recruitment-wars-new-front>.

³ Emma Flickinger, "Facebook Hires CMU Professors: Fair or Poaching?" *The Tartan*, August 19, 2018, accessed April 10, 2019, <https://thetartan.org/2018/8/20/scitech/fairlab>.

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TU provides students with a high-quality education at a value, demonstrated through a record of greater four-year graduation rates and lower net tuition compared to institutional performance peers (IPPs). However, overall instruction expenditures are lower compared to IPPs and could adversely affect TU's ability to attract and retain exceptional and diverse faculty members. Faculty salaries within the three target departments are necessarily higher than the university as a whole in order to compete with private-sector employment opportunities. The discrepancy between these departments and TU overall could cause cross-subsidization of salaries by lower-cost majors, which has the potential to adversely affect program quality for enrolled students. Additionally, class sizes for 300- and 400-level courses within TU's CBE, Department of Nursing, and Department of Computer and Information Sciences are higher than commensurate course levels across TU as a whole. These findings support the argument that these departments warrant tuition differentials to more closely align program costs with tuition charged, as well as increase quality measures within these programs for higher-level courses.

Upon graduation, entry level wages for occupations associated with affected majors are higher, on average, compared to all occupations requiring a bachelor's degree. Given this finding, students who pay the differentials are well-positioned to recoup any additional tuition expenditures made following graduation.

Based on the analysis performed, a \$3,000 total tuition differential for students is aligned with rates seen in TU's peer groups. This rate would be applied as an annual flat rate of \$1,500 for full-time enrolled majors, or \$750 per semester, during students' junior and senior years. Students with academic standing of a junior or senior who are pursuing their degrees on a part-time basis would be assessed on a commensurate credit-hour basis of \$50 per hour. Students taking courses full time at a junior or senior level for more than four semesters, part-time students taking more than 60 differential-eligible credit hours, as well as students pursuing dual majors within two affected departments, would not be charged a differential exceeding a total of \$3,000.

A gradual phase-in of the tuition differential would better allow for student planning with regard to the increased tuition costs. If phased in over a three-year period, full-time students with junior or senior status would be responsible for paying:

- \$250 per semester during the first academic year of implementation,
- \$500 per semester during the second academic year of implementation, and
- \$750 per semester during the third and first full academic year of implementation.

Based on the figures above, full-time, junior- and senior-level students would pay a total of \$500 during the first year of the active tuition differential, \$1,000 during the second year, and \$1,500 during the third year and first full year of the tuition differential.

Given the enrollment patterns observed between 2016 and 2018, tuition differentials would be expected to generate annual revenues ranging between \$4.4 million and \$5.5 million upon full implementation. The additional revenues collected through tuition differentials would be distributed through two primary channels:

Proposed Tuition Differential for Towson University

- Expansion of financial aid –at least 18.2 percent annually; and
- Funding for academic excellence – up to 81.8 percent of collected revenue annually.

Allocation of these funds would ensure that TU faculty salaries are competitive with other university or private sector employment opportunities, programs are funded with all necessary resources to maintain maximum educational quality, and that low-income and minority students are not adversely impacted by tuition differentials.

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2.0 Introduction

Colleges and universities across the U.S. are increasingly utilizing tuition differentials to support majors and programs that have high instructional and support costs.⁴ Additional revenues obtained through these differentials allow universities to ensure that program quality is not compromised, either directly through lack of support or indirectly through cross-subsidization of high-cost majors by low-cost majors. These funds can also be used to provide additional financial aid to low-income students and minority students to mitigate any potentially adverse impacts of the additional cost. Within the University System of Maryland (USM), the University of Maryland, College Park (UMCP) has also recently implemented tuition differential policies for several academic programs.

Towson University (TU) faces a similar situation as schools within and outside of USM. While TU offers students the opportunity to obtain a high-quality education for less than many of its peer institutions, costs to administer programs have been increasing and colleges have faced pressure to pay faculty and staff higher rates. To understand the options available to TU for tuition differentials, the potential for tuition differentials was examined within three groups:

- The College of Business and Economics (CBE),
- The Department of Computer and Information Sciences, and
- The Department of Nursing.

To meet the project objectives, TU examined costs, student class sizes, faculty retention challenges, and other issues facing these target departments that may specifically lend these groups to a tuition differential program. TU also examined wages for occupations associated with affected majors to ensure that Towson students graduating with degrees under a tuition differential program are well-positioned in Maryland's job market to recoup the additional expenditures made to obtain their degrees. TU identified appropriate levels for tuition differential programs based on rates found at peer institutions and instructional costs associated with each target department. TU also calculated estimated revenues that would be generated under a tuition differential program and how that revenue will be allocated to continue to provide a high-quality, competitively priced education for students.

This report will continue as follows. Section 3 provides background on tuition differentials, evaluates current quality and affordability measures at TU, examines differences in instructional costs between the target departments and TU as a whole, and highlights ways in which tuition differentials could enhance these factors at TU. Additionally, this section explores Maryland wages for occupations related to the majors that would be impacted through the implementation of tuition differentials. Section 4 presents the proposed tuition differential rate, identifies the students who would be impacted, and shows how this increase could be gradually phased in over a three-year period. Section 5 outlines how revenues gained from

⁴ Quinton, "Why Universities Charge Extra for Engineering, Business and Nursing Degrees."

Proposed Tuition Differential for Towson University

tuition differentials will be used to enhance the quality of education at TU, and Section 6 concludes the report.

3.0 Background and Need for Tuition Differentials at TU

Tuition differentials, or higher pricing for certain courses of study, have become an increasingly popular mechanism used by colleges and universities in recent years to offset the costs of delivering instruction for select majors. Programs that are commonly associated with tuition differentials include business, computer science, engineering, and nursing, and are often focused on upperclassman students.⁵ A recent study found the use of tuition differentials in four-year, research-intensive public colleges and universities rose substantially from 6.3 percent in the 1991/1992 academic year to 60.1 percent in 2015/2016.⁶ For example, UMCP recently implemented tuition differentials to students enrolled in the School of Business, School of Engineering, or who are declared majors in the Department of Computer Science.⁷

The reasoning used for implementing tuition differentials is often twofold; certain majors tend to have higher relative cost of instruction compared to other programs, and these majors also tend to produce graduates that make a high average wage upon graduation.⁸ Rather than risking reduced quality of education due to under-resourced programs, particularly amid reduced State funding, many universities have chosen to implement tuition differentials.⁹ Without this additional revenue, the higher costs of certain majors must be covered through the reallocation of tuition charged to students in lower-cost majors. This practice can cause a degradation in quality of lower-cost programs as a larger percentage of the budget is required to keep up with rising expenses in higher-cost programs. Additionally, insufficient funding, particularly for faculty salaries, has led to issues with faculty retention issues for instructors who could make significantly higher wages working in the private sector and competing universities.^{10,11}

In general, students are price elastic when evaluating higher education options, meaning they are sensitive to price increases with an increase in cost corresponding to a decrease in enrollment.¹² Recently however, the increased value of higher education combined with factors

⁵ Quinton, "Why Universities Charge Extra for Engineering, Business and Nursing Degrees."

⁶ Glen R. Nelson, Gregory C. Wolniak, and Casey E. George, "Unmasking College Costs: Challenges in the Era of Differential Tuition Practices," American Educational Research Association (2017): 15, accessed April 9, 2019, DOI: 10.302/1185576.

⁷ "Differential Tuition," University of Maryland, College Park, accessed April 10, 2019, <https://www.admissions.umd.edu/finance/differential-tuition>.

⁸ Kevin M. Stange, "Differential Pricing in Undergraduate Education: Effects of Degree Production by Field," National Bureau of Economic Research (June 2013): 6, accessed April 10, 2019, <https://www.nber.org/papers/w19183.pdf>.

⁹ Quinton, "Why Universities Charge Extra for Engineering, Business and Nursing Degrees."

¹⁰ Stripling, "In Recruitment Wars, a New Front."

¹¹ Flickinger, "Facebook Hires CMU Professors: Fair or Poaching?"

¹² Lauren Edmonds, Claire Haynie, and Megan Adams, "Developing a Competitive Pricing Strategy," EAB (2017): 14-15, document provided by Client.

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such as high program rankings have decreased students' price sensitivity.¹³ When evaluating the impact of tuition differentials on student enrollment, a 2013 study found a negligible impact observed for enrollment in business and nursing programs.¹⁴ Similarly, UMCP reported that no other Big Ten schools had found that tuition differentials had a negative impact on either student applications or enrollment.¹⁵ According to some university leaders, the increase in quality afforded by implementing tuition differentials actually raised enrollment levels at their institutions.¹⁶

Based on cost of instruction and other factors including students' economic outlook following graduation, TU determined three target departments that would be implementing tuition differentials:

- College of Business and Economics (CBE);
- Department of Nursing; and
- Department of Computer and Information Sciences.

Tuition rates for students who are declared majors within one of these three schools would include the differential for only the two years during which the student has junior or senior academic standing.

The following subsections will provide an overview on how TU provides a high-quality education at a value when compared to peer institutions, how tuition differentials can be used to enhance educational quality measures at TU, and how Maryland's job market outlook for students in affected majors could compensate for any additional spending on tuition differentials upon completion of their degree.

3.1 Quality Measures and Areas for Improvement

Towson University offers students a high-quality education at a reasonable cost, demonstrated through comparisons with its institutional performance peers (IPPs). These IPPs represent 11 higher-education institutions selected by TU leadership with comparable academic programs, enrollment, diversity factors, and student performance.¹⁷ When compared to this group, TU demonstrates a higher graduation rate while maintaining a lower net tuition cost. Figure 1 displays graduation rates at TU for bachelor's programs within four, six, and eight years compared to its IPPs.

¹³ Edmonds, Haynie, and Adams, "Developing a Competitive Pricing Strategy," 14-15.

¹⁴ Stange, "Differential Pricing in Undergraduate Education: Effects of Degree Production by Field," National Bureau of Economic Research (June 2013): 6, accessed April 10, 2019, <https://www.nber.org/papers/w19183.pdf>.

¹⁵ University of Maryland, Board of Regents, "University of Maryland, College Park: Proposal for Undergraduate Differential Pricing for FY 2016," 6, document provided by Client.

¹⁶ Quinton, "Why Universities Charge Extra for Engineering, Business and Nursing Degrees."

¹⁷ "Institutional Reports and Resources," Towson University, accessed April 15, 2019, <https://www.towson.edu/ir/reports.html>.

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Figure 1: Graduation Rates of Undergraduates within Four, Six, and Eight Years

Time to Completion	Towson University	IPP Median
Four Years	45%	36%
Six Years	70%	66%
Eight Years	72%	69%

Source: National Center for Education Statistics

As shown above, the graduation rate at TU exceeds the median rate among IPPs for each measure of time to program completion. Notably, the difference between TU and its peers is largest for the four-year graduation rate. This suggests that the average time to completion of a bachelor's degree is shorter for TU students than for those at most IPPs. In addition to higher graduation rates and shorter completion times, TU also awards more degrees than other IPPs. In the 2016/2017 academic year, Towson University awarded 4,628 bachelor's degrees, compared to a median value of 3,451 for the IPP group.¹⁸

Overall, TU demonstrates an advantageous classroom environment with a relatively low student to faculty ratio compared to its IPPs. Figure 2 below highlights the most recently available student to faculty ratios for these institutions.

Figure 2: Student-Faculty Ratio of Towson University and Institutional Performance Peers

College/University	Student-Faculty Ratio
California State University-Fullerton	25:1
Minnesota State University-Mankato	20:1
University of North Carolina at Charlotte	19:1
West Chester University of Pennsylvania	19:1
Indiana University of Pennsylvania-Main Campus	18:1
University of North Carolina Wilmington	18:1
Western Washington University	18:1
Montclair State University	17:1
Towson University	17:1
Appalachian State University	16:1
James Madison University	16:1
University of Massachusetts-Dartmouth	16:1

Sources: Towson University, Various

In general, the lower the student to faculty ratio an institution has, the smaller the class size and the greater the opportunities for students to receive one-on-one attention from faculty

¹⁸ National Center for Education Statistics, "IPEDS Data Feedback Report 2018," 4, accessed April 22, 2019, https://nces.ed.gov/ipeds/DataCenter/DfrFiles/IPEDSDFR2018_164076.pdf.

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members.¹⁹ As shown above, TU's ratio of 17 students per faculty member is lower than the majority of its IPPs. While these ratios can help to provide a general picture of instructional quality, individual class sizes by course level can better illuminate discrepancies that exist between programs.

At TU, average class sizes vary between colleges and departments for the 300- and 400-level courses typically taken by upperclassman. A summary of these class sizes is found for all TU undergraduate students and students in target departments in Figure 3 below.

Figure 3: Towson University Class Sizes by Undergraduate Course Level, Fall 2018

College/Department	Average Class Size	
	300-level Courses	400-level Courses
TU, All Undergraduate	24	22
College of Business and Economics	32	27
Department of Computer and Information Sciences	28	26
Department of Nursing	29	34

Source: TU Department of Institutional Research

Compared to all undergraduate courses, average class sizes were higher in each target group. TU's CBE had the highest average size of 32 students for 300-level courses, and was significantly greater compared to the 24-student average for all undergraduate courses at this level. For 400-level courses, the Department of Nursing's average class size of 34 students far exceeded the average of 22 students for all TU commensurate undergraduate courses. While not as high as the class sizes of the CBE and Department of Nursing, upper-level classes within the Department of Computer and Information Sciences also exceeded the average of all undergraduate TU courses. Implementing tuition differentials in these groups would increase revenues available for the hiring of additional staff to reduce class sizes, while also retaining the funding levels needed to maintain the low relative class sizes observed for all TU undergraduates.

Although students at TU have experienced higher rates of graduation in a shorter timeframe when compared to students at IPPs, this benefit does not come at a higher cost. On the contrary, the average student pays less for their education at TU than they do at most of its IPPs. Figure 4 shows the net price paid by TU students, which accounts for grants and scholarships from the total cost of attendance, compared to the median value at IPPs.

Figure 4: Net Undergraduate Price for Towson University vs Comparison Group²⁰

Academic Year	Towson University	IPP Median	Difference
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¹⁹ Ashley Henshaw, "Student-to-Faculty Ratio: What Does it Mean?" Campus Explorer, February 17, 2017, accessed April 19, 2019, <https://www.campusexplorer.com/college-advice-tips/0DC5BEE8/Student-to-Faculty-Ratio-What-Does-it-Mean/>.

²⁰ Net price is calculated by subtracting grants and scholarships from the total cost of attendance.

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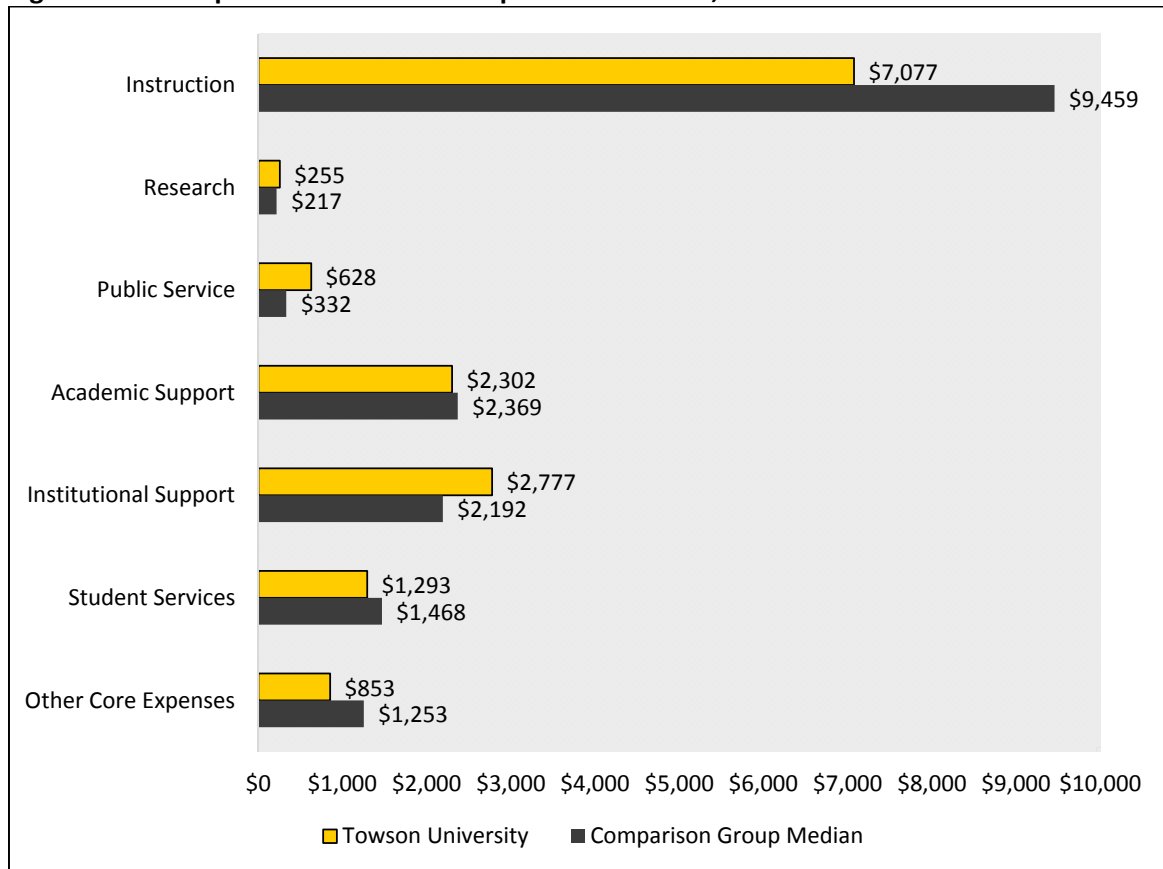
2014/2015	\$14,696	\$14,999	\$303
2015/2016	\$15,597	\$16,218	\$621
2016/2017	\$15,250	\$16,117	\$867

Source: National Center for Education Statistics

In the three most recent academic years for which data is available, TU has charged a lower net price to the average undergraduate student than the median IPP. The difference between TU and the median of the IPPs has also grown each year, nearly tripling between the 2014/2015 and 2016/2017 academic years. As shown in the above figure, this increasing difference is mostly attributable to rising prices among peer institutions. Given the performance advantage that TU holds above its IPPs, this lower net price represents a considerable value for students who attend TU.

The academic performance of TU can likely be attributed to success within the classroom, starting with the contributions of faculty and staff. However, the per-student spending on instruction at TU is less than the median among its IPPs. Figure 5 compares TU’s expenses in various categories against those in the IPP group for fiscal year (FY) 2017.

Figure 5: Core Expenses Per Full-Time Equivalent Student, Fiscal Year 2017



Source: National Center for Education Statistics

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In FY 2017, TU spent considerably less on instruction expenses per full-time equivalent (FTE) student than the median for IPPs, at \$7,077 and \$9,459 per FTE, respectively. TU also spent less per FTE on academic support, student services, and other core expenses. Categories in which TU spent more than its IPPs were research, public service, and institutional support. However, these categories did not make up the full difference in overall spending, primarily due to the significant gap in instructional expenses. In total, FY 2017 core expenses were \$15,185 per FTE at TU and \$17,290 per FTE at the median IPP.

The difference in instructional expenses is felt throughout TU; across all ranks, full-time TU faculty are paid 24 percent less than those at the median IPP.²¹ This salary discrepancy leaves TU vulnerable to poaching of its exceptional faculty by private industries and other educational institutions. This has been seen at other universities, such as the University of Illinois, when a three-year budget crisis led to a 40 percent increase in faculty offers from other institutions.²² Even without direct poaching, there is a considerable risk of faculty turnover due to the high opportunity cost associated with working for a below-market salary. Aside from the loss to students when a valuable faculty member exits the university, high turnover rates hold significant financial implications. A 2012 analysis examining 30 case studies found that businesses spent approximately 20 percent of an employee's annual salary to replace them.²³ For highly paid or senior-level employees, the replacement cost is often higher and can exceed more than two times the employee's annual salary.²⁴

For faculty within select majors, including business and computer science, there is a higher cost of instruction due to the wages necessary to compete with private-sector salaries.²⁵ This means that additional resources must be allocated from university funds to attract and retain diverse, high-quality faculty within these majors. Figure 6 below shows the average salary for professors, associate professors, and assistant professors by target department.

Figure 6: TU Faculty Salaries by Department/College, 2016-2018

Rank	CBE	Nursing	Computer Science	TU Total	Salary Premium Compared to TU Average		
					CBE	Nursing	Computer Science
Professor	\$122,246	\$118,015	\$113,390	\$96,067	27%	23%	18%

²¹ National Center for Education Statistics, "IPEDS Data Feedback Report 2018," 10.

²² Therese Pokorney, "University System Faculty Targeting for Poaching Due to Budget Issues," *The Daily Illini*, April 26, 2018, accessed April 10, 2019, <https://dailyillini.com/news/2018/04/26/university-system-faculty-targeted-for-poaching-due-to-budget-issues/>.

²³ Heather Boushey and Sarah Jane Glynn, "There Are Significant Business Costs to Replacing Employees," Center for American Progress (November 16, 2012): 1, accessed April 19, 2019, <https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>.

²⁴ Ibid, 2.

²⁵ Quinton, "Why Universities Charge Extra for Engineering, Business and Nursing Degrees."

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Associate Professor	\$111,334	\$91,283	\$100,865	\$82,033	36%	11%	23%
Assistant Professor	\$101,561	\$81,109	\$91,002	\$70,433	44%	15%	29%

Source: TU Department of Institutional Research

Between 2016 and 2018, faculty within the CBE, Department of Nursing, and Department of Computer and Information Sciences had a significantly higher average wage compared to TU as a whole. This is particularly apparent for faculty within the CBE, who had wages that were 27 to 44 percent higher than those with the same rank among all TU faculty. Implementing a tuition differential for these target departments would allow for the cost of instruction to align more closely with the actual tuition paid. Additionally, the increased revenues to support higher wages for faculty within the target groups would reduce or eliminate any cross-subsidization from students in other TU majors, and allow for salary increases to make these rates more competitive with other IPPs.

Tuition differentials enable universities to reinvest increased revenues into targeted programs, raising quality in a variety of ways. In addition to supporting any required infrastructure or equipment needs, greater funding would alleviate faculty-related issues through class size reductions and attracting and retaining high-quality and diverse instructors.

3.2 Economic Outlook for Impacted Students

As previously noted, there are two justifications often cited for implementation of tuition differentials for select majors: higher cost of instruction and greater earnings upon graduation compared to other programs.²⁶ Entry-level wages for occupations aligned with majors in the three target departments were evaluated to compare earnings for individuals graduating with these degrees versus entry-level wages for all occupations requiring a bachelor's degree. Occupations evaluated for each target department were also limited to those which typically require a bachelor's degree for entry. For example, occupations aligned with the CBE included accountants and auditors, management analysts, and budget analysts, while registered nurses were the primary occupation associated with the Department of Nursing. For the Department of Computer and Information Sciences, evaluated occupations included computer programmers, network and computer systems administrators, and computer systems analysts. Figure 7 below shows the average entry-level wage for each group in Maryland during 2018.

Figure 7: Entry-level Wages for Affected Students, 2018

College/Department	Average Entry-level Wage
College of Business and Economics	\$58,613
Department of Nursing	\$58,021
Department of Computer and Information Sciences	\$72,718

²⁶ Stange, "Differential Pricing in Undergraduate Education: Effects of Degree Production by Field," 6.

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All Occupations Requiring Bachelor's Degree	\$53,249
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Sources: Maryland DLLR, NCES, TU

As illustrated above, occupations for each target department showed a higher-than-average starting wage compared to all occupations requiring a bachelor's degree. Occupations associated with degrees from the Department of Computer and Information Sciences showed the greatest wage premium, with entry-level workers expected to make approximately \$19,469 more annually than other bachelor's degree holders. Entry-level wages for CBE occupations and the Department of Nursing had similar wage premiums compared to all occupations requiring a bachelor's degree, at \$5,364 and \$4,772, respectively.

The high-value degrees obtained by students in these programs, as measured by annual earnings, provide a significant return on educational investment. The differences in earnings observed support the argument that those individuals attaining degrees within the target departments would be well-equipped to offset any incurred tuition differentials. In fact, given the amount of TU's proposed tuition differential, outlined in the next section, compensation for TU's differential would most likely occur within the first year following graduation.

4.0 Proposed Tuition Differential

TU's methodology to assess a proposed differential aimed to benchmark any tuition increase with peer institutions. Because not all of TU's IPPs currently have tuition differentials, TU expanded the comparison group to include institutions with similar attributes according to the Carnegie Classification of Institutions of Higher Education (Carnegie Classification).²⁷ Factors used to isolate the institutional sample included:

- Public university;
- Four-year level or above;
- Large, primarily residential setting; and
- Full-time, selective, higher transfer-in institution.

Using these criteria, TU obtained a list of 32 additional colleges and universities to evaluate for tuition differential values. Restricting the sample to only those schools which had a tuition differential for one of more of the three target departments proposed by TU, seven additional institutions were added to the comparison group.²⁸ Finally, TU also considered local four-year public institutions that currently have tuition differentials for the departments of interest, as well as competing universities where accepted TU applicants had ultimately enrolled. Based on these factors, UMCP, University of Delaware, and Penn State University Park were also added

²⁷ "News and Announcements," The Carnegie Classification of Institutions of Higher Education, accessed April 22, 2019, <http://carnegieclassifications.iu.edu/>.

²⁸ When evaluating the institutions for similar departments, TU considered general classifications of business, nursing, and computer science.

Proposed Tuition Differential for Towson University

to the comparison group.^{29,30} The University of Maryland, Baltimore (UMB) was considered for addition to the group for their nursing program, since this institution has tuition amounts that vary by program of study. However, due to a lack of undergraduate programs that the nursing programs costs could be benchmarked against, a specific tuition differential amount could not be included and UMB was not directly included as a comparison group. The final group used for comparison is shown in Figure 8 below.

Figure 8: Combined Institutional Comparison Group

College/University	Comparison Group Source
James Madison University	IPP
University of Massachusetts, Dartmouth	IPP
North Dakota State University, Main Campus	Carnegie Classification
Northern Illinois University	Carnegie Classification
Southern Illinois University, Carbondale	Carnegie Classification
Southern Illinois University, Edwardsville	Carnegie Classification
University of North Dakota	Carnegie Classification
University of South Alabama	Carnegie Classification
Western Michigan University	Carnegie Classification
University of Maryland, College Park	Local Institution
University of Delaware	Local Institution
Penn State University Park	Local Institution

Sources: Carnegie Classification, MHEC, TU, Towson University

Within the combined comparison group, there was considerable variation in the tuition differential pricing structure, specific subjects for which tuition differentials were collected, and how the differential was collected. Despite these differences, there was sufficient information to estimate a comparable rate for each of TU's target subject areas. Figure 9 below shows the total tuition differentials for each school within the comparison group. The differential shown represents the total amount charged per student to complete their degree. Additionally, the final column shows whether the institution charges a different amount to all upper-level junior and senior students, and the amount of this cumulative difference.

²⁹ "Colleges and Universities," Maryland Higher Education Commission, accessed April 22, 2019, https://mhec.maryland.gov/institutions_training/Pages/collegeinfo.aspx.

³⁰ Students at Frostburg State University completing a bachelor's degree in engineering take their upper-level courses through a partnership with UMCP and are subject to the UMCP tuition differential for that program. Because TU has no engineering program, Frostburg State University was not included in the peer comparison group. Additionally, the nursing program at University of Maryland, Baltimore was not included in the comparison group due to a lack of other undergraduate programs within the university.

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Figure 9: Tuition Differentials of Similar Institutions

College/University	Computer Science	Nursing	Business/Economics	Junior/Senior
North Dakota State University, Main Campus		\$3,771	\$1,134	N/A
Northern Illinois University	\$3,840	\$1,440		N/A
Southern Illinois University, Carbondale			\$2,894	N/A
Southern Illinois University, Edwardsville			\$2,738	N/A
University of North Dakota	\$2,064	\$2,688	\$1,584	N/A
University of South Alabama	\$900	\$2,940	\$900	N/A
Western Michigan University	\$5,440		\$2,936	\$4,250
James Madison University		\$5,400	\$3,100	-\$1,260
University of Massachusetts, Dartmouth		\$3,540	\$1,872	N/A
University of Maryland, College Park	\$5,600		\$5,600	N/A
University of Delaware ³¹		\$6,000	\$6,000	N/A
Penn State University Park	\$3,904	\$7,312	\$3,904	\$2,824
Average Total Differential	\$3,625	\$4,136	\$2,969	\$1,938
Average Annual Differential Applied Over Two Years	\$1,812	\$2,068	\$1,485	\$969

Sources: Carnegie Classification, MHEC, TU, Various

As detailed above, the amount charged by comparison institutions often differed by subject area, with significant variation seen between schools. The greatest number of schools in the comparison group charged a tuition differential for business and/or economics programs, while computer science was the least common within this cohort. The average total differential is \$3,625 for computer science, \$4,136 for nursing; and \$2,969 for business and/or economics.³² This equates to a combined average of \$3,577, or \$1,788 per year during the two-year period for which the tuition differential would apply at TU. Only three institutions within this group charge a different amount for upper-level junior and senior students, with Western Michigan charging \$2,125 more, Penn State charging \$1,412 more, and James Madison University charging \$630 less per year compared to freshman or sophomores.

³¹ During the 2018/2019 academic year, the University of Delaware charged an initial rate of \$1,000 for tuition differential during the phase-in process, and increased to \$1,500 for the 2019/2020 academic year which is the base amount used in this figure. Students pay the tuition differential for a total of four years. This amount will increase to \$1,500/year for nursing and \$2,000/year for business and economics by the 2020/2021 academic year, and would therefore be higher than the \$6,000 shown in Figure 9.

³² Because different universities have varying pricing systems for tuition differentials, TU calculated these figures using 2018/2019 tuition rates for in-state residents, with the assumption that a student completes 15 credits a semester for four consecutive years. It was also assumed that these credits would total 120 to graduate, and that 60 of those 120 credits are taken within a student's specific field of major. Actual differentials by university may vary based on the individual student path and changes to tuition/differential policy over the duration of a student's attendance.

Proposed Tuition Differential for Towson University

A total tuition differential of \$3,000 based on these averages represents a comparatively conservative increase for each TU department of focus. This \$3,000 would be charged to declared majors with junior and senior status only, and implemented on a flat-fee basis for full-time students. For each full-time semester, students would pay a total of four incremental fees of \$750 (\$1,500 per year). Part-time students' tuition differentials would be assessed at a 15-credit full-time rate, or \$50 per credit hour taken. Students who take more than two years to complete their junior- and senior-level course requirements would not be responsible for payment of the tuition differential beyond a maximum of \$3,000. Similarly, students pursuing their degree on a part-time basis would not be responsible for payment of the tuition differential on a credit-hour basis after payments totaling \$3,000.

A gradual phase-in of the tuition differential would better allow for student planning with regard to the increased tuition costs. If phased in over a three-year period, students with junior or senior status would be responsible for paying:

- \$250 per semester during the first academic year of implementation,
- \$500 per semester during the second academic year of implementation, and
- \$750 per semester during the third and first full academic year of implementation.

Based on the figures above, full-time, junior- and senior-level students would pay a total of \$500 during the first year of the active tuition differential, \$1,000 during the second year, and \$1,500 during the third year and first full year of the tuition differential. Figure 10 shows a hypothetical scenario with FY 2021 being the first year of implementation. As detailed below, this gradual phase-in schedule would allow students to plan accordingly for upcoming increases in tuition rates.

Figure 10: Hypothetical Phase-in Scenario

Student Standing FY 2020	Tuition Increase
Current Seniors	No Increase
Current Juniors	\$500 in Senior Year (FY 2021)
Current Sophomores	\$500 in Junior Year (FY 2021), \$1,000 in Senior Year (FY 2022)
Current Freshman	\$1,000 in Junior Year (FY 2022), \$1,500 in Senior Year (FY 2023)
Future Students	\$1,500 in Junior Year, \$1,500 in Senior Year

Source: TU

Towson's proposed differential is roughly half that of the median differential charged by UMCP.³³ This lower differential figure, while still generating additional income for TU to further invest in academic excellence, maintains TU's value and keeps it competitive with other USM institutions. Figure 11 below shows how TU compares relative to other major Maryland

³³ "Differential Tuition FAQs," University of Maryland, College Park, accessed April 20, 2019, <https://financialaid.umd.edu/resources-policies/differential-tuition-faqs>.

Proposed Tuition Differential for Towson University

institutions when the full \$3,000 proposed differential amount is averaged out over a four-year period.³⁴

Figure 11: Annual Tuition for Maryland Public Four-Year Universities, 2018/2019

College	Tuition Differential	Tuition and Mandatory Fees
St. Mary's College of Maryland	No	\$14,806
University of Maryland, College Park ³⁵	Yes	\$11,995
University of Maryland, Baltimore County	No	\$11,778
University of Maryland, Baltimore, School of Nursing ³⁶	N/A	\$11,033
Towson University	Proposed	\$10,690
Towson University	No	\$9,940
Salisbury University	No	\$9,824
Frostburg State University ³⁷	Yes	\$9,172
University of Baltimore	No	\$8,958
University of Maryland, Eastern Shore	No	\$8,302
Bowie State University	No	\$8,233
Morgan State	No	\$7,900
Coppin State	No	\$6,625
Average		\$9,844

Sources: Chronicle of Higher Education, Various

Even when the differential is implemented, TU would retain its current placement by tuition amount among the institutions above, and remain notably less expensive than several other USM institutions. Over the course of a four-year bachelor's degree in computer science or business/economics, tuition at TU would be approximately \$5,220 lower than a corresponding program at UMCP. Further, completion of a bachelor's degree through TU's nursing program would be roughly \$1,372 less-expensive than the University of Maryland, Baltimore School of Nursing. Attainment of a bachelor's degree at TU with an applicable differential would be approximately \$4,352 less than the cost of completing a comparable degree at the University of Maryland, Baltimore County.

³⁴ Prices reflect 2018-2019 tuition rates and mandatory fees for in-state Maryland residents.

³⁵ Tuition for UMCP includes tuition differential.

³⁶ Because each professional school within University of Maryland, Baltimore has a unique pricing structure, and due to lack of other undergraduate programs offered, there is not a clear tuition differential shown for the School of Nursing.

³⁷ Students at Frostburg State University completing a bachelor's degree in engineering take their upper-level courses through a partnership with UMCP and are subject to the UMCP tuition differential for that program. Because TU has no engineering program, Frostburg State University was not included in the peer comparison group.

Proposed Tuition Differential for Towson University

TU also evaluated costs for schools that were attended by students who had also applied to TU between 2011 and 2016, but ultimately enrolled somewhere else. These institutions are shown in Figure 12 below, which shows the comparative costs for a Maryland resident to attend each institution. The costs shown represent the annual charges with any applicable differential tuition charge when considered over a four-year period. For schools with varying tuition differentials by program, an average of the differential amounts is included that corresponds to impacted programs at TU.³⁸

Figure 12: Annual Tuition for Towson Competing Institutions, 2018/2019

College	Percent of TU Applicants Enrolling	Tuition Differential	Junior/Senior Differential	Tuition and Mandatory Fees
University of Maryland, College Park	12%	Yes	No	\$11,995
University of Maryland, Baltimore County	6%	No	No	\$11,778
Salisbury University	4%	No	No	\$9,824
University of Delaware ³⁹	4%	Yes	No	\$35,310
Penn State University Park	3%	Yes	\$1,412	\$34,858
James Madison University	3%	Yes	-\$630	\$29,106
Towson University	N/A	Proposed	No	\$10,540
Towson University	N/A	No	No	\$9,940
Average				

Sources: Chronicle of Higher Education, TU Office of Institutional Research, Various

As shown above, TU has a lower tuition rate compared to all of the competing universities shown with the exception of Salisbury University. University of Delaware is currently phasing in a tuition differential that will reach \$1,500 per year for nursing students and \$2,000 per year for business and economics students.⁴⁰

Because TU's tuition differential would only be collected during four semesters during students' junior and senior years, most students who change their major will not pay the differential. This helps to prevent the discouragement of younger students from exploring the fields of study where a differential is charged due to the additional associated costs. Additionally, students

³⁸ For example, tuition differentials for engineering programs are not included in the average rate for each applicable institution. The average is only shown for relevant programs in nursing, computer science, and business and economics.

³⁹ During the 2018/2019 academic year, the University of Delaware charged a rate of \$1,000 for tuition differential during the phase-in process, which is included in the tuition and mandatory fees shown. This amount will increase to \$1,500/year for nursing and \$2,000/year for business and economics by the 2020/2021 academic year.

⁴⁰ "Differential Charge," University of Delaware, accessed May 2, 2019, <https://provost.udel.edu/differential-charge/>.

Proposed Tuition Differential for Towson University

who are completing dual majors (e.g., computer science and business administration) would be charged a maximum of \$3,000.

5.0 Use of Revenues

Additional revenues collected through tuition differentials would be distributed through two primary channels: expansion of financial aid (at least 18.2 percent) and academic excellence (up to 81.8 percent). Academic excellence would comprise the majority of additional revenue spending. This would include increasing faculty salaries to increase competitiveness with other universities and the private sector, and includes those teaching within the CBE, Department of Nursing, and Department of Computer and Information Sciences. Funds within this channel would also be utilized for hiring new and diverse faculty members to reduce class sizes and provide additional student support such as necessary infrastructure, equipment, and technology.

The University has committed to providing at least 18.2 percent of the generated revenue for expansion of financial aid. This percent represents the typical allocation for this type of student support.⁴¹ However, in a frequently cited 2013 study of tuition differential impacts, it was found that institutions' increases to financial aid from additional revenues were not sufficient to completely offset tuition differentials, and had a greater negative impact on women and minority students.⁴² With these findings in mind, TU is prepared to expand the percentage of revenue allocated to financial aid as necessary. The additional allocation to financial aid represents TU's strong commitment to ensuring education affordability, and a measure taken to prevent any adverse impacts on these groups due to implementation of the differential.

Based on a three-year phase-in schedule, revenues would increase on a more gradual basis. Figure 13 below shows the estimated increase in revenues anticipated over this phase-in period using average enrollment figures for juniors and seniors within each relevant cohort between 2016 and 2018. Please note that totals may not sum exactly due to rounding.

Figure 13: Additional Revenues from Tuition Differentials During Phase-in Period, Millions

College/ Department	Year 1 Revenues	Year 2 Revenues	Year 3 Revenues (Full Implementation)
College of Business and Economics	\$0.8 - \$1.0	\$1.7 - \$2.1	\$2.5 - \$3.1
Department of Nursing	\$0.3 - \$0.4	\$0.6 - \$0.8	\$0.9 - \$1.1
Department of Computer and Information Sciences	\$0.3 - \$0.4	\$0.7 - \$0.8	\$1.0 - \$1.3
Total	\$1.5 - \$1.8	\$2.9 - \$3.7	\$4.4 - \$5.5

Sources: TU, TU Office of Institutional Research

⁴¹ Information on financial aid allocation according to TU's Department of Administration and Finance.

⁴² Stange, "Differential Pricing in Undergraduate Education: Effects of Degree Production by Field," 30.

Proposed Tuition Differential for Towson University

As detailed above, revenues would increase from \$1.5 to \$1.8 million during the first year of implementation, subsequently growing to \$2.9 to \$3.7 million in the second year. In the third and first year of full tuition differential implementation, revenues are estimated between \$4.4 and \$5.5 million. These revenues would be expected to vary based on the end method for the collection of the differential – either by enrolled major or on a per-credit basis. Assuming no additional funds are required to expand financial aid, the annual \$4.4 to \$5.5 million in additional revenue funds would be distributed as follows:

- Academic Excellence – \$3.6 million to \$4.5 million; and
- Expand Financial Aid – \$0.8 million to \$1.0 million.

Allocation of these funds would ensure that TU faculty salaries are competitive with other university or private sector employment opportunities, programs are funded with all necessary resources to maintain maximum educational quality, and that low-income and minority students are not adversely impacted by tuition differentials.

6.0 Conclusion

The use of tuition differentials has become an increasingly prevalent mechanism for colleges and universities to combat rising instructional costs and unequal expenditures between majors. Tuition differentials enable institutions to reinvest the increased revenues into targeted programs, raising quality in a variety of ways. Greater funding allows for the provision of technology, infrastructure improvements, and equipment needed to more fully support students. Additionally, faculty issues are central to several of the most common reinvestment strategies, both in decreasing class sizes and attracting and retaining high-quality and diverse instructors.

While TU has continually provided students with a high-value education at a lower cost than many of its peer institutions, there are certain quality measures that could be improved. These areas include lowering class sizes of upper-level courses within target departments and increasing available funds for faculty salaries to be more competitive with peer institutions. Additionally, these revenues would help to ensure that lower-cost majors are not cross-subsidizing the expenses generated by higher-cost majors, and that the educational quality of these programs remains strong across TU. The additional revenues generated from the proposed tuition differentials would not only help to ensure academic excellence, but also safeguard against any negative impacts to low-income or minority students through significant expansion of financial aid.

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TOPIC: Salisbury University: Bridge Loan to Ward Foundation

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: In accordance with USM Policy IX-2.00—Policy on Affiliated Foundations, institutions are not to provide cash funds to affiliated foundations, except with the approval of the Board of Regents and the Office of the Attorney General. The Office of Legislative Audits (OLA), during the conduct of its routine and periodic review of Salisbury University, noted that Salisbury had not pursued Board of Regents approval for an arrangement where the University agreed to provide funding for a capital improvement to one of its affiliated foundations. As a recommended remediation step, OLA suggested that Salisbury University seek retroactive approval for the arrangement.

Background: In October 2014, with approval from the University System of Maryland, SU entered into a Donation and Right of Entry Agreement (“Agreement”) with The Ward Foundation, Inc. (“Foundation”). SU owns the Ward Museum of Wildfowl Art, a voluntary, not-for-profit organization dedicated to perpetuating and promoting wildfowl carving and art (“Museum”). The Museum is operated by the Foundation for the benefit of SU. The University is the owner of the land on which the Museum is located, and is also the owner of the Museum buildings and the art collection. The Foundation planned a capital campaign in order to raise the funds needed to build an addition and make such other improvements to the Museum that, once completed, would become the property of SU. The addition is known as the Legacy Center. Pursuant to the Agreement, SU granted the Foundation a right of entry in order to construct the Legacy Center in exchange for which the completed Legacy Center would be donated to SU.

In August 2016, the Foundation requested temporary funding from SU in the form of a loan (“Loan Agreement”) in order to complete the construction in a timely manner. Although the Foundation had conducted fundraising for Legacy Center, much of the funding was to be received through multi-year pledges. The Loan Agreement was meant to provide more immediate funding to the Foundation. SU entered into the Loan Agreement with the Foundation in an amount not to exceed \$600,000 at any time, and to be reimbursed in full to SU by December 31, 2018. However, as of December 31, 2018, the Foundation had an outstanding balance owed to SU of \$379,043, which has not been repaid.

On December 20, 2017, the Foundation signed a Certificate of Final Completion and Acceptance of the Legacy Center and transferred the property to the University. The Legacy Center is valued at approximately \$1.7 million. Given the value of the asset received by SU, the University desires to forgive the \$379,043 due from the Foundation.

In accordance with the Policy on Affiliated Foundations, the University is requesting that the Board of Regents approve the Loan Agreement as it was made in 2016 and approve the termination of the Loan Agreement and forgiveness of the outstanding balance of \$379,043.

ALTERNATIVE(S): The Regents could direct the University to seek full repayment of the outstanding balance of the Loan Agreement.

FISCAL IMPACT: There is no fiscal impact beyond the write-off of \$379,043 of the loan amount, as the funds have been transferred, disbursed, and work has been completed.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the loan given to the Ward Foundation and the termination of that loan and forgiveness of the outstanding balance of \$379,043.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



TOPIC: University of Maryland, College Park: Creation of Business Entity to Lease, Improve and Operate Space to Support Biotechnology Research and Workforce Development

COMMITTEE: Finance

DATE OF FINANCE COMMITTEE MEETING: June 12, 2019

SUMMARY: Section 12-113 of the Education Article of Maryland permits the Board of Regents to "...establish, invest in, finance, and operate businesses or business entities when the Board finds that doing so would further one or more goals of the University and is related to the mission of the University."

The University of Maryland, College Park ("University") seeks Board of Regents approval to create a Maryland non-stock corporation, to be qualified as a non-profit corporation and known as The Biotechnology Training, Education, and Research Partners, Inc. (B-TERP).

B-TERP will support and further the University's mission in the multidisciplinary fields of biotechnology and biomanufacturing, particularly to create and apply knowledge, provide outstanding instruction, and to share its research, educational and technological strengths with Maryland companies working to grow in the industry. B-TERP's primary responsibilities will be to lease, build-out, equip and operate a state of the art mock Good Manufacturing Practice (mGMP) biomanufacturing facility (the "New mGMP Facility") and make the facility accessible to the University, its research partners (especially the National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL)), and industry and academic students and trainees. (NIIMBL is a public-private partnership dedicated to advancing biopharmaceutical manufacturing innovation and workforce development.)

The University's contribution to the University of Delaware's proposal to the National Institute for Standards and Technology (NIST) was critical to the successful award and formation of NIIMBL. The Maryland Department of Commerce ("Commerce") and Montgomery County supported the proposal by offering \$2.2 million from the Maryland Economic Development Authority Fund (MEDAF) for renovating and upgrading the existing mGMP facility at the Institute for Bioscience and Biotechnology Research.

NIIMBL has selected the University to run one of three testbeds in its SPIDER (Sensors and software for Process control, Integration, Data analysis, process Evolution, and Reporting) Automation Network, which will be housed in the New mGMP Facility. This testbed's capabilities will need to grow as new technologies and processes emerge, so the University expects to augment the MEDAF investment in the New mGMP Facility through 1:1 matching funds awarded through NIIMBL's competitive funding process.

Because the University, being an instrumentality of the State, is ineligible to receive MEDAF funding, and because of time constraints for submitting the MEDAF grant application, the University of Maryland Enterprise Corporation (UMEC), a University affiliated non-profit corporation, has submitted the grant application for the MEDAF grant. If the grant is awarded, UMEC, with Commerce approval, will name B-TERP as the grant designee for the funds. B-TERP will be formed as a new non-profit corporation of the University only if (i) Commerce and Montgomery County award the grant and sign an acceptable grant agreement with UMEC permitting UMEC to designate B-TERP as the grant recipient, and (ii) the

conditions set forth in the Chancellor's recommendation are satisfied. (UMEC's primary function is acting as ground lessor of land used for the development of the University's research park in College Park, the Discovery District. Therefore, the Board of Directors of UMEC agreed that it would be preferable to form B-TERP for the special purpose of developing and operating the New mGMP Facility.)

ALTERNATIVE(S): The University possibly could provide minor upgrades to the existing mGMP facility if University funding is available, but the University cannot provide funding to build-out or equip a state of the art facility at the scale or with the cutting-edge content for training that will be provided by the New mGMP Facility.

FISCAL IMPACT: MEDAF funds will cover all of B-TERP's costs to lease, renovate, modernize, equip and operate the New mGMP Facility. B-TERP's leasing and operation of University-owned property for the New mGMP Facility will neither impact the University's debt capacity, nor have any private use implications. During the lease term, there will be rent paid to the University, and at the end of the lease term, all improvements and equipment will revert to University ownership.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the creation of B-TERP conditioned upon (i) review of the Maryland State Ethics Commission, and (ii) B-TERP will not seek grants that could be awarded directly to the University, with the exception of leveraging NIIMBL matching funds for the New mGMP Facility.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



TOPIC: University of Maryland, Baltimore: Purchase of Steam Services

COMMITTEE: Finance

DATE OF MEETING: June 12, 2019

SUMMARY: University of Maryland, Baltimore (UMB) requests approval from the Board of Regents to enter into a sole source contract to purchase steam from Veolia Energy Baltimore Heating LLP, the sole provider of steam in Baltimore City. The University has used steam service as the source of heating and for its process loads (e.g., sterilizers, humidification) for the past seventy years.

The contract period will be from July 1, 2019 to June 30, 2039, with two five-year UMB unilateral renewal options. The estimated dollar value of the contract over the initial twenty-year contract period is \$118 million.

The request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures, Section VIII. 3.10 for procurements exceeding \$5 million.

CONTRACTOR(S): Veolia Energy Baltimore Heating LLP, Baltimore, MD

ALTERNATIVE(S): There are no alternatives to the award of this contract. Veolia Energy Baltimore Heating LLP is the sole provider of steam services in Baltimore City.

FISCAL IMPACT: The steam capacity billing rate is a fixed rate over contract period with no escalation, and Operation and Maintenance rates capped at the local Consumer Price Index (CPI) per year. The contract rate structure is nearly identical to the current contract.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the University of Maryland, Baltimore the award of the aforementioned contract consistent with the University Systems of Maryland Procurement Policies and Procedures.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: 2019 USM Dashboard Indicators

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: Each year, the Board of Regents receives the Dashboard Indicators (DBIs) which summarize critical measures of success and compliance in a wide array of Board initiatives. The DBIs are organized into categories based on the USM Strategic Plan. The indicators displayed are meant to remain stable over time to provide the Regents with a ready comparison of current to past performance. Wherever possible, benchmarks based on peer performance, Board policy, or institutional policy are provided. The DBIs include pages of indicators focused on the external environment, the System as a whole, and each USM institution.

ALTERNATIVE(S): This item is presented for information purposes.

FISCAL IMPACT: This item is presented for information purposes.

CHANCELLOR’S RECOMMENDATION: This item is presented for information purposes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



**UNIVERSITY SYSTEM
of MARYLAND**

DASHBOARD INDICATORS

**Bowie State University (BSU)
Coppin State University (CSU)
Frostburg State University (FSU)
Salisbury University (SU)
Towson University (TU)
University of Baltimore (UB)
University of Maryland, Baltimore (UMB)
University of Maryland, Baltimore County (UMBC)
University of Maryland, College Park (UMCP)
University of Maryland Eastern Shore (UMES)
University of Maryland University College (UMUC)
University of Maryland Center for Environmental Sciences (UMCES)**

**Office of Institutional Research
Vice Chancellor for Administration and Finance
University System of Maryland Office
June 2019**

Background

The Dashboard Indicators were established by the Board of Regents in 2005 by the workgroup for Effectiveness and Efficiency. The purpose of the indicators was to assess progress across USM institutions for meeting performance benchmarks in key areas. In 2010, USM made a major revision to align the dashboard indicators with the 2010-2020 Strategic Plan.

There are five major categories for dashboard: 1) Affordability, Success and Diversity & Inclusion; 2) Faculty 3) Economic & Workforce Development; 4) Stewardship; and 5) Effectiveness & Efficiency. Although Dashboard Indicators are classified in only one category, some indicators may relate to more than one. If a benchmark was established, the performance standard was established by either Board Policy, State Policy, National Standards, Peer Averages or Institutional Goals. Dashboard Indicators measure both the current attainment against the previous three-year trend as well as determining if the current performance met the established benchmark.

The purposeful design of the Dashboard Indicators was a single point in time when all institutional progress may be reviewed. The data are updated annually, based on the most recent data available for the institution and its peers. In some cases, the data lag institutionally-available information, but it is important to note that official sources (e.g., IPEDS) publish national data following a lengthy collection, editing, and review cycle.

In total, there are over 200 Dashboard Indicators by institution and topic areas. This summary provides a brief overview of institutional and goal-related trends. For further information, please contact Chad Muntz, cmuntz@usmd.edu, 301-445-2737 or Laura Walker, alwalker@usmd.edu, 301-445-1966.

Dashboard Indicators Summary for 2019

The 2019 Dashboard Indicators provide a “snapshot” overview of the USM and its institutions. It brings together data from many USM reports, publicly available federal data sets and data from the institutions themselves. The summaries noted below were selected to highlight specific trends and challenges drawn from the System and Institutional Dashboards.

Affordability, Success, Diversity & Inclusion.

Tuition & fees, the percentage of students with financial aid, and the average student debt at graduation are affordability indicators. These indicators must be considered as a whole because of the inter-indicator interactions. Tuition & fees continue to increase moderately impacting student debt. Similarly, student loans count as financial aid and increase the percentage of students with debt. While costs increased moderately, institutions have also increased institutional aid to mitigate the impact of such an increase. The average student debt increased moderately but remains less than the peer averages.

Generally, many of the institutional trends show improved student quality and graduation rates. Retention rate results are mixed across institutions. Graduation rates and retention rates fell below peer benchmarks for half of the USM institutions.

As for access, the number of underrepresented minorities are increasing across all USM institutions, and, for most institutions, the numbers are greater than peer averages. The number of Maryland Community College transfers are increasing for USM but not for each institution.

Faculty

Faculty salaries are increasing but the percentile ranks remain below the 85th percentile benchmark. Most institutions are increasing the percentage of the operational budget allocated for instructional costs, but most are still below peer averages. Student-faculty ratios remain low and better than peer averages. Finally, Research & Development (R&D) dollars per faculty and awards per faculty are increasing for most institutions measured.

Economic & Workforce Development

With a few exceptions, the performance in the Economic & Workforce Development indicators is not improving. US Patents issued, adjusted gross license revenue, licenses & options executed, and the number of start-up companies are below the three-year trend. On the positive side, most USM institutions have increased the number of students enrolled in upper-level STEM courses, and the R&D dollars per faculty have been improving.

Fiscal Stewardship

A majority of USM institutions met their fund balance goals and approximately half of the institutions met their institutional fundraising goals. The key areas where USM institutions differ from the peer institutions are the operating expenditures for instructional and administrative costs. While instructional expenditures are increasing, USM institutions tend to spend less on instructional costs and more on administrative costs compared to peer averages.

Effectiveness & Efficiency

Most USM institutions continue to increase the classroom utilization rates, improve the facilities renewal allocations, improve the percentage of credit hours taught by non-traditional methods, and improve time-to-degree. That said, most institutions are below the benchmark performances in these areas with the exception of course hours taught by non-traditional methods.



Anatomy of a Dashboard Indicator

1. Indicator number -
(use to look up definitions,
sources)

2

2. Desired direction
of measure over time
(This measure should
decrease over time.
Could also be + or NC.)

3. Year of data

Year	6-year graduation rate	
2013	65%	
2014	68%	
2015	70%	
2016	71%	
2017	<i>71%</i>	
Benchmark	70%	

4. Color code for
IMPROVEMENT
(previous three-year
average trend)

7. Color code for
ADEQUACY
(benchmark
comparison)

5. Benchmark data
compared to current
italicized data

6. Benchmark data

8. Letter indicates benchmark group
(Peers, Natl. Std., BOR Policy, State
Policy, Institutional Goal).

Summary of 2018 Core Dashboard Indicators

As of 5/28/19

Note: Data are the most recent available for any given indicator. Years are not the same for all indicators.

#	Indicator	UMCP	UMBC	UMB	BSU	CSU	FSU	SU	TU	UB	UMES	UMUC	UMCES	System
1	Average SAT	1322	1251		942	930	1025	1180	1133		954			
2	6-year graduation rate	85%	63%		40%	24%	49%	71%	72%		38%			67%
3	2nd-year retention rate	95%	87%		73%	65%	76%	83%	85%	70%	63%			74%
4	Afr.-Amer., Hispan., & Native Amer. as % of total undergraduates	22%	26%		88%	81%	37%	19%	29%	51%	79%	50%		35%
5	% of applicants who were admitted (new freshmen & transfer students)	49%	62%		35%	38%	79%	64%	74%	55%	55%			
6	MD community college transfers	2,014	1,315		391	192	460	720	2,621	515	113	3,624		12,258
7	Resident undergrad tuition & fees	\$10,595	\$11,778		\$8,233	\$6,625	\$9,172	\$9,824	\$9,940	\$8,958	\$8,302	\$7,416		\$10,089
8	% of undergraduates receiving financial aid	65%	73%		84%	86%	79%	79%	72%	84%	87%	43%		
9	Average undergraduate debt burden upon graduation	\$28,122	\$27,221		\$29,433	NA	\$29,802	\$26,940	\$26,460	\$21,500	\$21,000			
10	Average alumni giving rate	5.6%	3.9%		4.2%	4.4%	4.6%	6.8%	3.9%	3.8%	1.4%	0.9%		
21	Average faculty salary	\$131,506	\$100,095		\$84,842	\$76,619	\$78,032	\$81,557	\$82,628		\$87,808			
22	Faculty salary %ile	81	67		69	52	45	57	57		76			69
23	Awards per 100 full-time faculty (5yrs.)	5.0	4.0											
24	Student to faculty ratio (X FTE students per 1 FTE faculty)	18	18	7	16	14	14	16	17	14	13			
31	Total R&D expenditure per full-time faculty	\$349,400	\$165,701	\$268,574*							\$42,936			
32	U.S. Patents issued	35	10	26										70
33	Adjusted gross license income received	\$783,303	\$50,824	\$4,788,731										
34	Licenses & options executed	15	0	43										57
35	Upper division STEM enrollment	7,502	3,826		340	87	382	617	2,014	270	388	9,025		24,451
38	Number of start-up companies	32	5	20			1	20	0	6	0			85
41	Expenditures for instruction as % of total operating expenditures	32%	37%	26%	46%	35%	45%	53%	48%	45%	49%	27%		
42	Expenditures for administration as % of total operating expenditures	8%	13%	11%	21%	32%	20%	16%	19%	18%	17%	23%		
43	Fund balance increase: goal achieved	Met goal	Met goal	Met goal	Met goal	Met goal	Met goal	Met goal	Met goal	Met goal	Not met goal	Met goal	Met goal	
44	% of fundraising goal achieved	134%	116%	122%	67%	98%	94%	110%	113%	124%	68%	100%	49%	
51	Classroom utilization rate	83%	58%		65%	70%	51%	67%	63%	36%	64%			62%
52	Facilities renewal \$ as % of replacement value	2.2%	0.7%	0.9%	2.7%	0.6%	1.2%	2.4%	2.2%	0.2%	0.1%		2.4%	1.6%
53	% of undergrad credits from non-traditional method	13.1%	13.2%		20.7%	21.2%	20.9%	13.3%	7.5%		22.6%			13.7%
54	Time to degree (Years)	3.9	4.3		5.1	5.9	4.0	4.0	4.2		4.9			4.1
55	Teaching workload: courses per FTE faculty	5.6	6.6		7.5	9.3	7.2	7.4	7.0	7.1	7.0			

*Includes only medical school faculty

Is performance IMPROVING on the Dashboard Indicators?*

● Same or better ● Worse

As of 5/28/19

	DBI#	Indicator	UMCP	UMBC	UMB	BSU	CSU	FSU	SU	TU	UB	UMES	UMUC	UMCES
Student Success, Diversity & Inclusion and Affordability	1	Average SAT	●	●		●	●	●	●	●		●		
	2	6-year graduation rate	●	●		●	●	●	●	●		●		
	3	2nd-year retention rate	●	●		●	●	●	●	●	●	●		
	4	Afr.-Amer., Hispan., & Native Amer. as % of total undergraduates	●	●				●	●	●	●		●	
	5	% of applicants who were admitted (new freshmen & transfer students)												
	6	MD community college transfers	●	●		●	●	●	●	●	●	●	●	
	7	Resident undergrad tuition & fees												
	8	% of undergraduates receiving financial aid												
	9	Average undergraduate debt burden upon graduation	●	●		●		●	●	●	●	●	●	
	10	Average alumni giving rate	●	●		●	●	●	●	●	●	●	●	●
Faculty	21	Average faculty salary	●	●		●	●	●	●	●		●		
	22	Faculty salary %ile	●	●		●	●	●	●	●		●		
	23	Awards per 100 full-time faculty (5yrs.)	●	●										
	24	Student to faculty ratio (X FTE students per 1 FTE faculty)	●	●	●	●	●	●	●	●	●	●		
Economic & Workforce Developmt.	31	Total R&D expenditure per full-time faculty	●	●	●							●		
	32	U.S. Patents issued	●	●	●									
	33	Adjusted gross license income received	●	●	●									
	34	Licenses & options executed	●	●	●									
	35	Upper division STEM enrollment	●	●		●	●	●	●	●	●	●	●	
	38	Number of start-up companies	●	●	●				●	●	●	●	●	
Stewardship	41	Expenditures for instruction as % of total operating expenditures	●	●	●	●	●	●	●	●	●	●	●	●
	42	Expenditures for administration as % of total operating expenditures	●	●	●	●	●	●	●	●	●	●	●	●
	43	Fund balance increase: goal achieved	●	●	●	●	●	●	●	●	●	●	●	●
	44	% of fundraising goal achieved	●	●	●	●	●	●	●	●	●	●	●	●
Effectiveness & Efficiency	51	Classroom utilization rate	●	●		●	●	●	●	●	●	●		
	52	Facilities renewal \$ as % of replacement value	●	●	●	●	●	●	●	●	●	●		●
	53	% of undergrad credits from non-traditional methods	●	●		●	●	●	●	●	●		●	
	54	Time to degree (Years)	●	●		●	●	●	●	●	●		●	
	55	Teaching workload: courses per FTE faculty	●	●		●	●	●	●	●	●	●	●	

Improved/Same

17	15	9	15	8	12	15	13	7	9	5	2
9	11	2	4	10	9	6	8	8	12	3	1

Worse

* The most recent year compared with the average of previous 3 years.

Is performance ADEQUATE on the Dashboard Indicators?

● Same or better ● Worse

As of 5/28/19

	#	Indicator	UMCP	UMBC	UMB	BSU	CSU	FSU	SU	TU	UB	UMES	UMUC	UMCES	
Student Success, Diversity & Inclusion and Affordability	1	Average SAT													
	2	6-year graduation rate	●	●		●	●	●	●	●		●			
	3	2nd-year retention rate	●	●		●	●	●	●	●	●	●			
	4	Afr.-Amer., Hispan., & Native Amer. as % of total undergraduates	●	●				●	●	●	●			●	
	5	% of applicants who were admitted (new freshmen & transfer students)													
	6	MD community college transfers													
	7	Resident undergrad tuition & fees													
	8	% of undergraduates receiving financial aid													
	9	Average undergraduate debt burden upon graduation	●	●		●		●	●	●	●	●	●		
	10	Average alumni giving rate													
Faculty	21	Average faculty salary	●	●		●	●	●	●	●		●			
	22	Faculty salary %ile	●	●		●	●	●	●	●		●			
	23	Awards per 100 full-time faculty (5yrs.)													
	24	Student to faculty ratio (X FTE students per 1 FTE faculty)	●	●	●	●	●	●	●	●	●	●			
Economic & Workforce Developmt.	31	Total R&D expenditure per full-time faculty	●	●	●							●			
	32	U.S. Patents issued			●										
	33	Adjusted gross license income received			●										
	34	Licenses & options executed													
	35	Upper division STEM enrollment													
	38	Number of start-up companies													
Stewardship	41	Expenditures for instruction as % of total operating expenditures	●	●	●	●	●	●	●	●	●	●	●	●	
	42	Expenditures for administration as % of total operating expenditures	●	●	●	●	●	●	●	●	●	●	●	●	
	43	Fund balance increase: goal achieved	●	●	●	●	●	●	●	●	●	●	●	●	
	44	% of fundraising goal achieved	●	●	●	●	●	●	●	●	●	●	●	●	
Effectiveness & Efficiency	51	Classroom utilization rate	●	●	●	●	●	●	●	●	●	●	●	●	
	52	Facilities renewal \$ as % of replacement value	●	●	●	●	●	●	●	●	●	●	●	●	
	53	% of undergrad credits from non-traditional methods	●	●		●	●	●	●	●	●	●			
	54	Time to degree (Years)													
	55	Teaching workload: courses per FTE faculty	●	●		●	●	●	●	●	●	●	●		
Meets benchmark			11	8	4	6	5	5	11	8	5	6	4	0	
Does not meet benchmark			5	8	5	8	8	10	4	7	6	9	1	2	

University System of Maryland
Dashboard Indicators, June 2019

As of 5/28/19

N = National standards based upon weighted average of 4-year public universities

Student Success, Diversity & Inclusion										
Year	S2 6-year graduation rate	S3 Average (3-yr.) 2nd year retention rate	S4 Afr.-Amer. Hispan., Nat. Amer. as % of UGs	S6 MD comm. college transfers	S7 Average weighted resident UG tuition & fees (Yr. beginning) chg.	S11 % of Maryland market share (Public/Private/CCs)	S12 Institutional financial aid for undergrads as % of undergrad tuition revenue	S13 Institutional financial aid for undergraduate students (millions)		
2013	63%	73%	33%	11,882	\$8,558 4%	42.3%	15%	\$123.9		
2014	63%	74%	33%	11,182	\$8,833 3%	42.9%	16%	\$132.5		
2015	65%	74%	34%	11,603	\$9,389 6%	45.0%	17%	\$141.0		
2016	65%	74%	35%	11,544	\$9,606 2%	45.7%	17%	\$144.7		
2017	67%	74%	35%	12,154	\$9,843 2%	47.6%	17%	\$151.3		
2018				12,258	\$10,089 3%	48.7%	14%	\$134.4		
Benchmark	60%	75%	27%							

Faculty			Economic Development			Workforce Development			Funding		
Year	S21-1 Aver. faculty salary (Research univ.)	S21-2 Aver. faculty salary (Master's univ.)	S22 Wgtd. aver faculty salary %ile	S32 U.S. Patents issued	S34 Licenses & options executed	S38 Number of start-up companies	S35 Upper division STEM enrollment	S36 Number of teaching graduates	S37 Number of nursing graduates	S48 Operating expend. per FTE stdt. (Excl. auxil./hosp.)	S49 Funding guideline % achieved (FY)
2013	\$107,715	\$71,872	67	68	42	67	17,138	1,718	1,276	\$28,120	74%
2014	\$116,024	\$77,233	80	70	52	131	19,281	1,246	830	\$30,185	76%
2015	\$119,120	\$78,951	81	89	58	139	20,805	1,077	861	\$29,549	72%
2016	\$118,385	\$80,799	75	76	61	114	22,162	1,092	1,075	\$29,857	72%
2017	\$124,169	\$81,812	75	90	70	70	23,538	1,096	1,116	\$30,595	72%
2018	\$124,513	\$82,559	69	70	57	85	24,451	974	1,150		72%
Benchmark	\$109,910	\$83,701	85%							\$31,972	100%

Stewardship							Effectiveness & Efficiency				
Year	S41 State appropriations per FTE student	S42 System Office admin. as % of System's total operating expend.	S43 Unrestricted net assets to debt ratio	S44 Fund balance increase: goal achievement	S45 Credit rating (Moody's)	S46 % of annual fundraising dedicated to endowment	S47 Total funds raised (annual) (000s)	S51 Classroom utilization rate	S52 Facilities renewal \$ as % of replacemt. value	S53 % of undergrad. credits from non-tradit. methods	S54 Time to Degree
2013	\$8,136	0.4%	121%	Met goal	Stable	14.2%	\$232,150	66%	1.4%	14.5%	4.2
2014	\$8,591	0.5%	111%	Met goal	Stable	12.5%	\$256,528	65%	1.1%	16.9%	4.3
2015	\$9,063	0.4%	74%**	Met goal	Stable	14.2%	\$335,074	64%	0.9%	12.2%	4.3
2016	\$9,370	0.6%*	82%	Met goal	Stable	16.3%	\$276,594	63%	1.0%	12.6%	4.0
2017	\$9,378	0.6%	86%	Met goal	Stable	18.3%	\$292,281	64%	1.3%	12.9%	4.1
2018			96%	Met goal	Stable	21.7%	\$408,193	62%	1.6%	13.7%	4.1
Benchmark	\$7,648	Rank 27 of 30		Meet goal				66%	2.0%	10.0%	

* Change in IPEDS finance reporting

** Recalibrated for new accounting standard on pensions

*** Only include undergraduates

External Fiscal

Funding guideline % achieved (FY)											
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCP	UMES	UMUC
2005	53%	64%	73%	63%	77%	84%	56%	61%	65%	70%	43%
2006	51%	70%	78%	74%	80%	80%	53%	64%	67%	72%	34%
2007	94%	108%	90%	104%	100%	141%	72%	81%	82%	99%	40%
2008	74%	93%	82%	79%	90%	132%	73%	74%	78%	88%	61%
2009	87%	101%	93%	78%	88%	107%	75%	72%	82%	82%	39%
2010	74%	112%	77%	65%	68%	50%	61%	65%	73%	69%	46%
2011	62%	101%	67%	63%	63%	45%	57%	64%	72%	62%	43%
2012	70%	111%	69%	63%	66%	46%	69%	62%	75%	71%	37%
2013	77%	116%	75%	70%	76%	45%	71%	65%	76%	75%	54%
2014	84%	127%	90%	75%	87%	55%	60%	62%	78%	97%	40%
2015	95%	126%	86%	70%	65%	66%	72%	62%	80%	85%	53%
2016	89%	128%	85%	71%	60%	64%	68%	59%	75%	78%	53%
2017	86%	138%	85%	74%	68%	63%	71%	61%	80%	78%	26%
2018	93%	138%	85%	81%	67%	68%	74%	62%	79%	64%	24%
2019	73%	126%	69%	66%	61%	65%	72%	61%	77%	79%	17%

Operating expend. per FTE student (Excl. auxil./hosp.)											
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCP	UMES	UMUC
2005	\$13,554	\$15,562	\$11,363	\$10,391	\$11,108	\$13,191	\$46,596	\$23,059	\$31,270	\$20,605	\$17,266
2006	\$13,885	\$13,736	\$12,764	\$10,859	\$11,881	\$14,230	\$48,802	\$23,979	\$33,087	\$21,009	\$18,961
2007	\$14,770	\$18,924	\$13,637	\$11,217	\$12,275	\$15,090	\$50,438	\$25,720	\$33,645	\$18,214	\$17,569
2008	\$14,778	\$18,114	\$14,843	\$10,973	\$12,608	\$15,625	\$55,374	\$26,326	\$34,538	\$18,473	\$17,585
2009	\$15,269	\$19,617	\$15,102	\$12,499	\$13,743	\$14,629	\$55,333	\$26,522	\$36,444	\$19,233	\$18,534
2010	\$15,821	\$21,749	\$14,598	\$11,892	\$13,009	\$15,606	\$56,458	\$25,759	\$36,281	\$18,353	\$18,704
2011	\$14,766	\$23,063	\$14,706	\$11,556	\$13,052	\$15,698	\$57,345	\$26,620	\$37,303	\$18,385	\$19,153
2012	\$15,381	\$24,627	\$15,533	\$12,899	\$14,794	\$14,848	\$55,889	\$25,011	\$38,981	\$20,600	\$18,299
2013	\$16,942	\$22,270	\$16,103	\$13,088	\$13,639	\$15,608	\$56,435	\$25,690	\$40,232	\$21,036	\$19,399
2014	\$17,984	\$23,900	\$17,335	\$13,888	\$14,219	\$17,031	\$69,623	\$26,464	\$42,959	\$22,377	\$20,718
2015	\$17,118	\$25,800	\$17,811	\$14,026	\$14,918	\$18,108	\$73,671	\$27,319	\$42,972	\$24,293	\$15,550
2016	\$18,161	\$29,484	\$18,259	\$14,098	\$14,635	\$19,210	\$73,830	\$27,355	\$43,796	\$22,626	\$15,928
2017	\$17,293	\$32,272	\$18,922	\$15,217	\$14,963	\$19,840	\$78,036	\$29,364	\$44,659	\$27,011	\$15,140
Benchmark	\$20,823	\$21,014	\$19,408	\$20,666	\$17,437	\$19,854	\$63,945	\$31,004	\$64,132	\$22,198	\$17,314

State appropriations per FTE student											
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCP	UMES	UMUC
2005	\$5,074	\$6,161	\$5,231	\$4,199	\$4,012	\$4,380	\$11,249	\$6,667	\$9,955	\$6,396	\$1,277
2006	\$5,362	\$6,104	\$5,843	\$4,359	\$4,183	\$4,771	\$12,119	\$7,200	\$10,364	\$6,629	\$1,365
2007	\$7,418	\$9,482	\$6,691	\$4,957	\$4,783	\$5,420	\$12,966	\$8,094	\$11,735	\$7,593	\$1,492
2008	\$7,558	\$10,266	\$6,853	\$5,021	\$4,939	\$5,260	\$13,641	\$8,451	\$12,220	\$8,374	\$1,890
2009	\$7,586	\$10,715	\$6,731	\$5,201	\$4,842	\$5,219	\$11,162	\$8,404	\$12,003	\$8,072	\$2,034
2010	\$6,733	\$11,457	\$5,804	\$4,475	\$4,281	\$4,422	\$11,771	\$7,217	\$10,524	\$7,135	\$1,776
2011	\$7,521	\$12,150	\$6,475	\$5,001	\$4,796	\$4,859	\$13,231	\$8,534	\$12,035	\$7,589	\$1,972
2012	\$7,817	\$12,849	\$6,858	\$4,989	\$4,944	\$5,038	\$13,253	\$8,540	\$12,187	\$7,907	\$1,804
2013	\$8,177	\$13,006	\$6,943	\$5,043	\$4,887	\$4,996	\$13,232	\$8,339	\$12,218	\$7,902	\$1,850
2014	\$8,319	\$14,726	\$7,246	\$5,088	\$4,848	\$5,176	\$16,544	\$8,399	\$12,567	\$8,919	\$2,010
2015	\$8,651	\$16,869	\$7,725	\$5,571	\$5,359	\$5,696	\$19,007	\$9,096	\$13,520	\$9,512	\$1,793
2016	\$9,304	\$18,154	\$8,080	\$6,069	\$5,697	\$6,146	\$19,879	\$9,538	\$13,822	\$9,740	\$1,751
2017	\$9,154	\$19,889	\$8,426	\$6,251	\$5,925	\$6,701	\$20,113	\$9,924	\$13,814	\$11,712	\$1,597
Benchmark	\$9,047	\$10,071	\$7,568	\$8,427	\$6,148	\$7,176	\$9,701	\$10,628	\$9,358	\$9,362	\$1,637

University System of Maryland
Dashboard Indicators, June 2019

As of 5/28/19

Italicized figures are figures against which national comparisons should be made.

Workforce Development									E23
Year	E1 % of Maryland residents with at least a bachelor's degr.	E30 % of Maryland residents with advanced degree or more	E2 Doctoral scientists, engineers, & health professionals employed in MD	E4 Science & engineering doctorates awarded	E5 Per capita personal income	E6 Unemployment rate (June)	E12 Persons in science & engineering occupations as % of workforce	E14 Average/Median high-tech wage	E23 Current population estimates (as of July 1) (for comparison purposes)
2013	37.4%	17.1%	32,600	1,124	\$52,792	7.5%	7.4%	NA	5,928,814
2014	38.2%	17.5%	NA	1,066	\$54,783	6.1%	7.4%	\$101,849	5,976,407
2015	38.8%	17.7%	34,250	1,194	\$56,916	5.3%	7.5%	\$104,659	6,006,401
2016	39.3%	18.5%	NA	1,082	\$58,504	4.9%	7.6%	\$107,193	6,016,447
2017	39.7%	18.3%			\$60,171	4.3%	7.6%	\$95,921*	6,052,177
2018					\$62,914	4.0%			6,042,718
Benchmark	32.0%	12.3%	6th (MD's rank)	14th (MD's rank)	5th (MD's rank)	4.0%	2nd (MD's rank)	3rd (MD's rank)	19th (MD's rank)

R&D		
Year	E8 Academic R&D expenditures in science & engin. (millions)	E22 University R&D expenditures in life sciences (millions)
2013	\$3,376	\$1,557
2014	\$3,515	\$1,622
2015	\$3,705	\$1,737
2016	\$3,744	\$1,656
2017	\$3,970	\$1,784
2018		
Benchmark		

Economic Development			
Year	E7 SBIR awards (\$ millions)	E16 Venture capital disbursed per \$1,000 of Gross Domestic Product (\$)	E15 High-tech establishments as % of business establishments
2013	245	\$1.67	12.11%
2014	234	\$1.64	12.33%
2015	NA	\$2.62	
2016	188	\$1.53	
2017	229	\$1.67	
2018			
Benchmark	5th (MD's rank)	14th (MD's rank)	5th (MD's rank)

Support of Higher Education			
Year	E17 St. gen. funds for higher educ. per \$1,000 of personal income (FY)	E18 State gen. funds for higher educ. per capita	E19 State gen. funds for higher educ. per headcount student
2013	\$5.39	\$274.25	\$4,074
2014	\$5.58	\$306.81	\$4,838
2015	\$5.60	\$302.57	\$4,846
2016	\$5.56	\$310.54	\$5,049
2017	\$5.66	\$330.33	\$5,342
2018	\$5.45	\$331.60	\$5,419
Benchmark	25rd (MD's rank)	9th (MD's rank)	12th (MD's rank)

*Prior to 2016: Average of high-tech wage was used/from 2017: Median of high-tech wage is used

Bowie State University
Dashboard Indicators, June 2019

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* Measure used by U.S. News

As of 5/28/19

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion							Alumni
1	2	3	4	5	6	10	
Average SAT	6-year graduation rate	Average (3-yr.) 2nd year retention rate	Afr.-Amer., Hispan., Nat. Amer. as % of UGs	% of applicants admitted (new freshmen & transfer students)	MD comm. college transfers	Alumni giving rate	
Year	+	+	+		+	+	
2013	890	35%	72%	92%	54%	353	
2014	881	33%	72%	90%	57%	310	
2015	874	41%	72%	89%	60%	419	
2016	868	37%	74%	89%	45%	227	
2017	942	40%	73%	88%	38%	495	
2018					35%	391	
Benchmark*	928-1101 (25th & 75th %ile)	49% P	76% P				

Faculty			Affordability			Workforce Dvlp.
21	22	24	7	8	9	35
Aver. faculty salary	Wgtd. aver. faculty salary %ile	Student to Faculty Ratio	Resident UG tuition & fees (Yr. beginning) % chg.	% of undergrads receiving financial aid	Average* undergraduate debt burden upon graduation	Upper division STEM enrollment
Year	+	+	-		-	+
2013	\$69,115	53	16	\$6,971 5%	82%	280
2014	\$73,818	69	16	\$7,299 5%	86%	319
2015	\$75,770	71	16	\$7,657 5%	86%	294
2016	\$78,882	70	16	\$7,880 3%	86%	309
2017	\$80,598	67	16	\$8,064 2%	85%	336
2018	\$84,842	69	16	\$8,233 2%	84%	340
Benchmark*	\$83,701 P	85% B	17 P		\$25,969 P	

Stewardship				Effectiveness & Efficiency				
41	42	43	44	51	52	53	54	55
Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	Fund balance increase: goal achievement	% of fundraising goal achieved	Classroom utilization rate	Facilities renewal \$ as % of replacemt. value	% of undergrad. credits from non-tradit. methods	Time to degree in years	Tching. workload courses per FTE faculty
Year	+	-	+	+	+	+	-	+
2013	40%	18%	Met goal	138%	66%	4.6%	13.5%	8.0
2014	38%	18%	Met goal	89%	65%	3.0%	12.7%	7.8
2015	41%	20%	Met goal	113%	64%	1.6%	17.2%	7.3
2016	44%	22%	Met goal	88%	65%	1.5%	17.0%	8.0
2017	46%	21%	Met goal	108%	67%	1.5%	17.6%	7.6
2018			Met goal	67%	65%	2.7%	20.7%	7.5
Benchmark*	48% P	17% P	Meet goal B	100% I	66% S	2.0% B	10.0% B	7.5 B

Coppin State University
Dashboard Indicators, June 2019

Italicized figures are figures against which peer comparisons should be made.

** Measure used by U.S. News*

As of 5/28/19

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion							Alumni
1	2	3	4	5	6	10	
Average SAT	6-year graduation rate	Average (3-yr.) 2nd year retention rate	Afr.-Amer., Hispan., Nat. Amer. as % of UGs	% of applicants admitted (new freshmen & transfer students)	MD comm. college transfers	Alumni giving rate	
Year	+	+	+		+	+	
2013	877	14%	64%	85%	39%	238	11.0%
2014	890	18%	65%	85%	43%	256	9.6%
2015	895	18%	66%	84%	39%	186	3.9%
2016	862	17%	66%	81%	39%	267	4.2%
2017	930	24%	65%	81%	37%	219	4.4%
2018					38%	192	
Benchmark*	939-1119 (25th & 75th %ile)	52%	76%				
		P	P				

Faculty			Affordability			Workforce Dvlp.		
21	22	24	7	8	9	35		
Aver. faculty salary	Wgtd. aver faculty salary %ile	Student to Faculty Ratio	Resident UG tuition & fees (Yr. beginning)	% of undergrads receiving financial aid	Average* undergraduate debt burden upon graduation	Upper division STEM Enrollment		
Year	+	+	chg.		-	+		
2013	\$67,647	55	14	\$6,252	9%	86%	NA	99
2014	\$72,201	68	14	\$6,132	-2%	88%	NA	111
2015	\$73,809	67	13	\$6,362	4%	92%	NA	120
2016	\$75,843	62	13	\$6,448	1%	85%	NA	114
2017	\$77,185	61	14	\$6,536	1%	86%	NA	102
2018	\$76,619	52		\$6,625	1%	86%		87
Benchmark*	\$83,701	85%	20				\$24,101	
	P	B	P					

Stewardship				Effectiveness & Efficiency					
41	42	43	44	51	52	53	54	55	
Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	Fund balance increase: goal achievement	% of fundraising goal achieved	Classroom utilization rate	Facilities renewal \$ as % of replacemt. value	% of undergrad. credits from non-tradit. methods	Time to degree in years	Tching. workload courses per FTE faculty	
Year	+	-	+	+	+	+	-	+	
2013	35%	23%	Met goal	115%	69%	0.4%	13.9%	4.8	9.0
2014	35%	25%	Met goal	92%	NA	0.2%	16.3%	7.0	8.5
2015	34%	24%	Met goal	103%	NA	0.2%	25.7%	6.5	8.1
2016	39%	30%	Met goal	121%	71%	0.5%	19.9%	6.9	9.0
2017	35%	32%	Met goal	70%	70%	0.6%	25.1%	6.9	9.3
2018			Met goal	98%	70%	0.6%	21.2%	5.9	9.3
Benchmark*	44%	16%	Meet goal	100%	66%	2.0%	10.0%	7.5	7.5
	P	P	B	I	S	B	B		B

Frostburg State University
Dashboard Indicators, June 2019

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** Measure used by U.S. News*

As of 5/28/19

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Student Success, Diversity & Inclusion						
Year	1 Average SAT	2 6-year graduation rate	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. college transfers
2013	980	47%	73%	29%	62%	412
2014	985	49%	75%	34%	62%	478
2015	969	51%	76%	36%	66%	564
2016	942	47%	76%	37%	65%	525
2017	1025	49%	76%	37%	73%	532
2018					79%	460
Benchmark*	948-1136 (25th & 75th %ile)	54% P	76% P	30% P		

Alumni
10 Alumni giving rate
4.7%
4.7%
5.0%
5.4%
4.6%

Faculty			Affordability			
Year	21 Aver. faculty salary	22 Wgt'd. aver faculty salary %ile	24 Student to Faculty Ratio	7 Resident UG tuition & fees (Yr. beginning)	8 % of undergrads receiving financial aid	9 Average* undergraduate debt burden upon graduation
2013	\$69,213	39	15	\$7,728	4%	80%
2014	\$74,693	52	15	\$7,982	3%	81%
2015	\$76,281	57	16	\$8,488	6%	80%
2016	\$77,035	50	15	\$8,702	3%	80%
2017	\$78,644	52	14	\$8,914	2%	81%
2018	\$78,032	45		\$9,172	3%	79%
Benchmark*	\$83,701 P	85% B	18 P			\$27,750 P

Workforce Dvlp.	Economic Dvlp.
35 Upper division STEM enrollment	38 Number of start-up companies
423	3
445	4
399	3
481	6
394	5
382	1

Stewardship				Effectiveness & Efficiency					
Year	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacmt. value	53 % of undergrad. credits from non-tradit. methods	54 Time to degree in years	55 Tching. workload courses per FTE faculty
2013	40%	17%	Did not meet goal	92%	60%	1.2%	16.7%	4.5	7.4
2014	38%	15%	Did not meet goal	118%	55%	0.6%	21.6%	4.3	7.3
2015	40%	15%	Met goal	109%	55%	0.4%	18.2%	3.9	7.4
2016	45%	19%	Met goal	91%	56%	1.2%	17.9%	3.9	7.2
2017	45%	20%	Met goal	129%	53%	0.7%	18.3%	3.9	7.1
2018			Met goal	94%	51%	1.2%	20.9%	4.0	7.2
Benchmark*	49% P	16% P	Meet goal B	100% I	66% S	2.0% B	10.0% B		7.5 B

Salisbury University
Dashboard Indicators, June 2019

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* Measure used by U.S. News

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion						
Year	1 Average SAT*	2 6-year graduation rate	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. college transfers
2013	1160	67%	82%	16%	58%	915
2014	1156	66%	82%	17%	60%	730
2015	1160	67%	81%	18%	64%	847
2016	1150	69%	83%	18%	68%	726
2017	1180	71%	83%	19%	67%	786
2018					64%	720
Benchmark*	1008-1184 (25th & 75th %ile)	62% P	79% P	25% P		

Alumni
10 Alumni giving rate
7.3%
6.4%
6.7%
6.1%
6.8%

Faculty			Affordability			
Year	21 Aver. faculty salary	22 Wgt'd. aver faculty salary %ile	24 Student to Faculty Ratio	7 Resident UG tuition & fees (Yr. beginning)	8 % of undergrads receiving financial aid	9 Average undergraduate debt burden upon graduation
2013	\$72,039	51	16	\$8,128	6%	\$23,545
2014	\$77,848	69	16	\$8,560	5%	\$24,567
2015	\$79,589	70	16	\$9,086	6%	\$25,376
2016	\$80,756	62	16	\$9,364	3%	\$26,940
2017	\$81,802	62	16	\$9,582	2%	\$26,940
2018	\$81,557	57		\$9,824	3%	
Benchmark*	\$83,701 P	85% B	16 P			\$28,690 P

Workforce Dvlp.	Economic Dvlp.
35 Upper division STEM enrollment	38 Number of start-up companies
612	5
658	3
641	15
628	24
626	11
617	20

Stewardship				Effectiveness & Efficiency					
Year	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacement value	53 % of undergrad. credits from non-tradit. methods	54 Time to degree in years	55 Tchng. workload courses per FTE faculty
2013	47%	14%	Met goal	295%	68%	2.6%	17.0%	4.3	7.4
2014	45%	14%	Met goal	146%	68%	1.2%	17.9%	4.0	7.3
2015	47%	14%	Met goal	103%	68%	1.7%	11.4%	4.0	7.1
2016	56%	18%	Met goal	172%	65%	2.1%	11.5%	4.0	7.3
2017	53%	16%	Met goal	104%	69%	1.6%	11.5%	3.9	7.5
2018			Met goal	110%	67%	2.4%	13.3%	4.0	7.4
Benchmark*	53% P	18% P	Meet goal B	100% I	66% S	2.0% B	10.0% B		7.5 B

Towson University
Dashboard Indicators, June 2019

As of 5/28/19

Italicized figures are figures against which peer comparisons should be made.
** Measure used by U.S. News*

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Student Success, Diversity & Inclusion						
Year	1 Average SAT	2 6-year graduation rate	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. college transfers
2013	1088	65%	85%	21%	62%	2,848
2014	1084	68%	86%	22%	61%	2,143
2015	1087	70%	86%	24%	67%	1,937
2016	1080	71%	86%	26%	74%	2,311
2017	1133	72%	85%	29%	72%	2,552
2018					74%	2,621
Benchmark*	1048-1215 (25th & 75th %ile)	64% P	82% P	20% P		

Alumni
10 Alumni giving rate
4.3%
3.8%
5.1%
4.5%
3.9% ■

Faculty			Affordability			
Year	21 Aver. faculty salary	22 Wgtd. aver faculty salary %ile	24 Student to Faculty Ratio	7 Resident UG tuition & fees (Yr. beginning) % chg.	8 % of undergrads receiving financial aid	9 Average* undergraduate debt burden upon graduation
2013	\$72,444	59	17	\$8,342 3%	70%	NA
2014	\$78,288	73	17	\$8,590 3%	70%	\$25,936
2015	\$79,751	73	17	\$9,182 7%	71%	\$25,785
2016	\$80,786	66	17	\$9,408 2%	71%	\$25,483
2017	\$82,260	65	17	\$9,694 3%	71%	\$26,460 ■
2018	\$82,628 ■	57 ■		\$9,940 3%	72%	
Benchmark*	\$83,701 P	85% B	19 P			\$28,781 P

Workforce Dvlp.	Economic Dvlp.
35 Upper division STEM enrollment	38 Number of start-up companies
1,461	1
1,530	0
1,672	0
1,732	0
1,907	0
2,014 ■	0 ■

Stewardship				Effectiveness & Efficiency					
Year	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacemt. value	53 % of undergrad. credits from non-tradit. methods	54 Time to degree in years	55 Tching. workload courses per FTE faculty
2013	42%	14%	Met goal	112%	67%	3.0%	8.7%	4.3	7.3
2014	38%	14%	Met goal	116%	65%	2.3%	11.1%	4.3	7.2
2015	40%	14%	Met goal	99%	63%	1.4%	8.1%	4.3	7.1
2016	46%	17%	Met goal	87%	60%	2.1%	8.2%	4.3	7.1
2017	48% ■	19% ■	Met goal	68%	63%	2.3%	6.6%	4.2	7.0
2018			Met goal ■	113% ■	63% ■	2.2% ■	7.5% ■	4.2 ■	7.0 ■
Benchmark*	53% P	14% P	Meet goal B	100% I	66% S	2.0% B	10.0% B		7.5 B

University of Baltimore
Dashboard Indicators, June 2019

As of 5/28/19

Italicized figures are figures against which peer comparisons should be made.

** Measure used by U.S. News*

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion										Alumni	
Year	1-UB % of graduates who pass bar exam on initial attempt	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. college transfers	4-UB Number of minority students graduating annually (UG & Grad/Prof)	5-UB % of economically disadvantaged students	10 Alumni giving rate			
2013	85%	72%	51%	75%	690	604	75%	5.6%			
2014	80%	73%	53%	70%	630	635	70%	5.0%			
2015	66%	72%	53%	67%	651	676	78%	4.7%			
2016	68%	74%	53%	65%	655	716	66%	4.2%			
2017	67%	70%	51%	55%	567	789	49%	3.8%			
2018	67%			55%	515	754	88%				
Benchmark*	TBD	79%	49%			426	75%				

Faculty				Affordability			Workforce Dvlp.	Economic Dvlp.
Year	2-UB Sponsored research \$ per F-T faculty (000s)	3-UB % part-time faculty	24 Student to Faculty Ratio	7 Resident UG tuition & fees (Yr. beginning)	8 % of undergrads receiving financial aid	9 Average* undergraduate debt burden upon graduation	35 Upper division STEM enrollment	38 Number of start-up companies
2013	\$35	54%	16	\$7,838	2%	86%	289	9
2014	\$37	52%	15	\$8,018	2%	86%	286	0
2015	\$38	52%	15	\$8,326	4%	86%	287	1
2016	\$41	53%	15	\$8,596	3%	85%	275	0
2017	\$58	55%	14	\$8,824	3%	85%	286	0
2018	\$74	53%		\$8,958	2%	84%	270	6
Benchmark*		49%	18			\$23,855		

Stewardship				Effectiveness & Efficiency				
Year	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacem. value	7-UB % of stdts. involved with non-traditional learning activities	55 Tching. workload courses per FTE faculty
2013	39%	23%	Met goal	304%	48%	1.0%	44%	6.4
2014	40%	21%	Did not meet goal	111%	52%	0.6%	44%	7.3
2015	41%	21%	Met goal	107%	46%	1.4%	45%	6.9
2016	44%	21%	Met goal	98%	51%	0.5%	49%	6.7
2017	45%	18%	Met goal	114%	54%	1.1%	53%	7.0
2018			Met goal	124%	36%	0.2%	56%	7.1
Benchmark*	48%	14%	Meet goal	100%	66%	2.0%	7.5	

University of Maryland, Baltimore
Dashboard Indicators, May 2019

Italicized figures are figures against which peer comparisons should be made.

As of 5/28/19

** Measure used by U.S. News*

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion										Economic Dvlp.	
Year	1-UMB Passing rate on Bar (Law) exam	2-UMB Passing rate on medical licensure exam	3-UMB Passing rate on nursing licensure exam	4-UMB Passing rate on dentistry licensure exam	10-UMB Total headcount enrollmt.	11-UMB Afr.-Amer., Hispan., & Nat. Amer. as % of total headcount enrollment	12-UMB Graduate & 1st prof. as % of total hdct. enrollment	38 Number of start-up companies			
2013	83%	99%	93%	96%	6,284	19%	89%			8	
2014	78%	99%	97%	99%	6,276	20%	87%			15	
2015	76%	97%	90%	94%	6,329	22%	86%			18	
2016	79%	96%	93%	98%	6,482	24%	86%			13	
2017	77%	97%	88%	99%	6,703	24%	86%			19	
2018	80%	99%	87%	100%	6,777	24%	87%			20	
Benchmark*	TBD	97%	N	86%	N	17%	P	40%	P		

Faculty				Economic Development					
Year	5-UMB Nat'l. ranking NIH awards to public medical schls.	6-UMB Nat'l. ranking: NIH awards to public & priv .dental schls.	7-UMB No. of specialty law programs ranked in top 10 nationally	24 Student to Faculty Ratio	13-UMB Grant & contract awards (millions)	14-UMB/31 Total R&D expenditures in medicine per F-T medical faculty	32 U.S. Patents issued	33 Adjusted gross license income received	34 Licenses & options executed
2013	14	5	3	6	\$479	\$245,876	25	\$835,817	23
2014	15	6	2	7	\$499	\$226,765	28	\$1,120,101	30
2015	16	11	2	7	\$498	\$224,977	33	\$1,215,991	39
2016	17	9	2	7	\$494	\$246,865	32	\$1,276,140	34
2017	15	10	2	7	\$554	\$268,574	30	\$1,482,785	39
2018	16	10	2	7	\$667		26	\$4,788,731	43
Benchmark*	Top 10	Top 10		16		\$301,119	5% annually	5% annually	

Stewardship				Effectiveness & Efficiency		Workforce Development		
Year	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	52 Facilities renewal \$ as % of replacemt. value	16-UMB Number of nursing graduates (BSN, MS, PhD, DNP)	17-UMB Number of pharmacy graduates (PharmD)	18-UMB Number of dentistry grads (DDS)
2013	25%	9%	Met goal	129%	0.9%	632	163	127
2014	25%	9%	Met goal	66%	0.8%	614	153	128
2015	25%	9%	Met goal	96%	0.5%	666	164	127
2016	27%	10%	Met goal	71%	0.6%	636	152	124
2017	26%	11%	Met goal	106%	0.8%	614	157	130
2018			Met goal	122%	0.9%	698	149	132
Benchmark*	37%	10%	Meet goal	100%	2.0%			

University of Maryland, Baltimore County
Dashboard Indicators, June 2019

As of 5/28/19

Italicized figures are figures against which peer comparisons should be made.

** Measure used by U.S. News*

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Year	Student Success, Diversity & Inclusion						Affordability			Alumni
	1 Average SAT	2 6-year graduation rate	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. colleg transfers	7 Resident UG tuition & fees (Yr. beginning) % chg.	8 % of undergrads receiving financial aid	9 Average* undergraduate debt burden upon graduation	10 Alumni giving rate
2013	1218	65%	86%	22%	67%	1,418	\$10,068 3%	70%	\$22,755	3.7%
2014	1214	61%	87%	22%	64%	1,352	\$10,384 3%	70%	\$25,831	3.6%
2015	1210	63%	87%	23%	63%	1,351	\$11,006 6%	69%	\$26,534	3.7%
2016	1217	64%	87%	24%	61%	1,382	\$11,264 2%	70%	\$25,505	3.6%
2017	1251	63%	87%	26%	64%	1,311	\$11,518 2%	70%	\$27,221	3.9%
2018					62%	1,315	\$11,778 2%	73%		
Benchmark*	1170-1346 (25th & 75th %ile)	73%	89%	23%					\$28,808	

Year	Faculty				Economic Development				Workforce Dvlp	
	21 Aver. faculty salary	22 Wgtd. aver faculty salary %ile	23 Awards per 100 FT faculty (5 yrs.)	24 Student to Faculty Ratio	31 Total R&D expendit. per FT faculty	32 U.S. Patents issued	33 Adjusted gross license income received	34 Licenses & options executed	38 Number of start-up companies	35 Upper division STEM enrollment
2013	\$87,894	56	2.8	20	\$157,612	5	\$191,721	1	10	3,284
2014	\$94,379	75	2.5	19	\$160,823	7	\$284,153	1	4	3,582
2015	\$96,271	73	2.9	19	\$164,116	12	\$180,366	2	8	3,745
2016	\$97,492	69	3.1	19	\$165,642	7	\$124,645	4	8	3,793
2017	\$99,376	70	3.8	18	\$165,701	12	\$266,864	4	6	3,819
2018	\$100,095	67	4.0			10	\$50,824	0	5	3,826
Benchmark*	\$94,254	85%		17	\$177,015					

Year	Stewardship				Effectiveness & Efficiency				
	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacem. value	53 % of undergrad. credits from non-tradit. methods	54 Time to degree in years	55 Tching. workload courses per FTE faculty
2013	34%	11%	Met goal	238%	60%	0.6%	18.4%	4.3	6.9
2014	34%	11%	Met goal	84%	65%	0.7%	18.3%	4.6	7.2
2015	34%	11%	Met goal	199%	62%	0.8%	12.6%	4.5	7.2
2016	37%	13%	Met goal	107%	59%	0.6%	13.1%	4.5	7.0
2017	37%	13%	Met goal	108%	58%	0.7%	13.2%	4.4	6.5
2018			Met goal	116%	58%	0.7%	13.2%	4.3	6.6
Benchmark*	47%	13%	Meet goal	100%	66%	2.0%	10.0%	5.5	

University of Maryland, College Park
Dashboard Indicators, June 2019

As of 5/28/19

Italicized figures are figures against which peer comparisons should be made.

** Measure used by U.S. News*

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Year	Student Success, Diversity & Inclusion						Affordability			Alumni	
	1 Average SAT	2 6-year graduation rate	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. college transfers	7 Resident UG tuition & fees (Yr. beginning) % chg.	8 % of undergrads receiving financial aid	9 Average* undergraduate debt burden upon graduation	10 Alumni giving rate	
2013	1299	84%	95%	21%	47%	1,930	\$9,161	3%	66%	\$25,254	5.8%
2014	1305	85%	95%	22%	49%	2,234	\$9,427	3%	66%	\$25,131	6.6%
2015	1306	86%	95%	22%	47%	2,143	\$9,996	6%	67%	\$26,818	6.6%
2016	1305	87%	95%	23%	50%	1,911	\$10,182	2%	66%	\$27,559	6.1%
2017	1322	85%	95%	22%	47%	1,986	\$10,399	2%	65%	\$28,122	5.6%
2018					49%	2,014	\$10,595	2%	65%		
Benchmark*	1246-1424 (25th & 75th %ile)	86%	95%	15%						\$25,820	

Year	Faculty				Economic Development					Workforce Dvlp
	21 Aver. faculty salary	22 Wgtd. aver faculty salary %ile	23 Awards per 100 FTfaculty (5 yrs.)	24 Student to Faculty Ratio	31 Total R&D expendit. per FT faculty	32 U.S. Patents issued	33 Adjusted gross license income received	34 Licenses & options executed	38 Number of start-up companies	35 Upper division STEM enrollment
2013	\$113,372	84	4.6	18	\$348,602	38	\$575,485	18	29	5,846
2014	\$122,160	94	4.3	18	\$334,681	35	\$727,424	21	103	6,161
2015	\$125,559	95	4.9	17	\$329,693	44	\$847,046	17	94	6,201
2016	\$124,155	86	4.4	17	\$337,551	37	\$836,035	23	62	7,200
2017	\$131,316	88	4.3	18	\$349,400	48	\$676,102	27	45	6,950
2018	\$131,506	81	5.0			35	\$783,303	15	32	7,502
Benchmark*	\$116,105	85%		17	\$306,748					

Year	Stewardship				Effectiveness & Efficiency				
	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacemt. value	53 % of undergrad. credits from non-tradit. methods	54 Time to degree in years	55 Tching. workload courses per FTE faculty
2013	32%	8%	Met goal	109%	69%	1.7%	17.7%	4.0	5.6
2014	32%	8%	Did not meet goal	127%	71%	1.4%	21.0%	4.1	5.6
2015	33%	8%	Met goal	145%	71%	1.2%	10.6%	4.1	5.4
2016	32%	8%	Met goal	105%	70%	1.1%	11.6%	3.5	5.5
2017	32%	8%	Met goal	94%	72%	1.8%	12.6%	3.9	5.7
2018			Met goal	134%	83%	2.2%	13.1%	3.9	5.6
Benchmark*	38%	9%	Meet goal	100%	66%	2.0%	10.0%		5.5

University of Maryland, Eastern Shore
Dashboard Indicators, June 2019

As of 5/28/19

Italicized figures are figures against which peer comparisons should be made.

** Measure used by U.S. News*

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion							Alumni	
Year	1 Average SAT	2 6-year graduation rate	3 Average (3-yr.) 2nd year retention rate	4 Afr.-Amer., Hispan., Nat. Amer. as % of UGs	5 % of applicants admitted (new freshmen & transfer students)	6 MD comm. college transfers	10 Alumni giving rate	
2013	880	32%	68%	75%	57%	135	2.5%	
2014	861	37%	70%	75%	63%	181	3.3%	
2015	844	33%	70%	76%	51%	152	2.9%	
2016	921	36%	66%	78%	39%	114	1.9%	
2017	954	38%	63%	79%	39%	97	1.4%	
2018					55%	113		
Benchmark*	908-1086 (25th & 75th %ile)	46% P	76% P	52%				

Faculty			Affordability			Economic Dvlp.		Workforce Dvlp.	
Year	21 Aver. faculty salary	22 Wgtd. aver faculty salary %ile	24 Student to Faculty Ratio	7 Resident UG tuition & fees (Yr. beginning)	8 % of undergrads receiving financial aid	9 Average* undergraduate debt burden upon graduation	31 Total R&D expendit. per FT faculty	38 Number of start-up companies	35 Upper division STEM enrollment
2013	\$70,881	61	14	\$6,998	4%	\$28,486	\$54,774	2	403
2014	\$70,881	72	14	\$7,287	4%	\$20,375	\$54,442	1	425
2015	\$76,049	68	15	\$7,625	5%	\$21,000	\$52,655	0	369
2016	\$84,202	82	14	\$7,804	2%	\$21,000	\$46,091	0	355
2017	\$85,752	76	13	\$8,042	3%	NA	\$42,936	0	353
2018	\$87,808	76	13	\$8,302	3%	87%		0	388
Benchmark*	\$85,425 P	85% B	16 P			\$28,540 P	\$24,700 P		

Stewardship				Effectiveness & Efficiency					
Year	41 Expend. for instr. as % of oper. expend. (Excl. auxil./hosp.)	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.)	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved	51 Classroom utilization rate	52 Facilities renewal \$ as % of replacemt. value	53 % of undergrad. credits from non-tradit. methods	54 Time to degree in years	55 Tching. workload courses per FTE faculty
2013	41%	12%	Did not meet goal	75%	69%	0.7%	13.9%	4.7	8.1
2014	39%	13%	Did not meet goal	115%	69%	0.2%	14.8%	4.7	7.4
2015	39%	13%	Met goal	95%	69%	0.2%	17.2%	4.8	7.2
2016	44%	16%	Met goal	116%	67%	0.2%	19.5%	4.7	8.2
2017	49%	17%	Did not meet goal	148%	67%	0.1%	21.2%	4.8	7.0
2018			Did not meet goal	68%	64%	0.1%	22.6%	4.9	7.0
Benchmark*	47% P	15% P	Meet goal B	100% I	66% S	2.0% B	10.0% B		7.5 B

University of Maryland University College
Dashboard Indicators, June 2019

As of 5/28/19 *Italicized figures are figures against which peer comparisons should be made.*
* Measure used by U.S. News

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

Student Success, Diversity & Inclusion								
Stateside								Worldwide
Year	1-UMUC Total undergraduate headcount enrollment +	4 Afr.-Amer. Hispan., Nat. Amer. as % of UGs +	2-UMUC African-Amer. as % of total UGs +	3-UMUC % of students who are economically disadvantaged +	4-UMUC % of students who are 25 years of age or older NC +	6 MD comm. coll. transfers +	6-UMUC Number of stateside online courses +	7-UMUC Number of worldwide online enrollments (students x classes enrolled in +)
2013	28,273	44%	31%	47%	83%	2,840	978	261,101
2014	26,740	46%	29%	50%	83%	2,574	981	243,303
2015	35,154	43%	27%	49%	80%	3,093	956	248,104
2016	42,892	44%	26%	48%	80%	3,140	923	265,520
2017	44,219	44%	26%	44%	80%	3,303	862	274,581
2018	45,604	50%	26%	46%	79%	3,624	865	288,336
Benchmark*	>22300	21%		Maintain or increase	≥80%		Maintain or increase	≥175,000

Affordability				Economic Dvlp.	Workforce Development	Alumni	
Worldwide		Stateside		Worldwide	Stateside		Worldwide
Year	7 Resident UG tuition & fees (Yr. beginning) % chg. +	8 % of undergrads receiving financial aid +	8-UMUC Total no. of off campus or distance education enrollments +	10-UMUC No. of technology & management post-baccalaureates awarded +	35 Upper division STEM enrollment +	10 Alumni giving rate +	
2013	\$6,642 3%	47%	318,074	2,864	5,401	2.0%	
2014	\$6,834 3%	62%	294,226	3,225	6,613	1.8%	
2015	\$7,146 5%	43%	294,568	3,283	6,989	1.7%	
2016	\$7,266 2%	42%	309,768	3,523	8,290	1.2%	
2017	\$7,386 2%	43%	317,094	3,622	8,765	0.9%	
2018	\$7,416 0%	43%	329,337	4,502	9,025		
Benchmark*		25-30%	>251,000	≥1300			

Stewardship				Effectiveness & Efficiency	
Worldwide		Stateside		Stateside	
Year	41 Expend. for instruction as % of oper. expend. (Excl. auxil./hosp.) +	42 Expend. for admin. as % of oper. expend. (Excl. auxil./hosp.) -	43 Fund balance increase: goal achievement +	44 % of fundraising goal achieved +	11-UMUC Operating budget savings as % of state-supported budget +
2013	28%	13%	Met goal	90%	2%
2014	29%	14%	Met goal	133%	2%
2015	27%	20%	Met goal	52%	2%
2016	27%	22%	Met goal	67%	2%
2017	27%	23%	Met goal	40%	2%
2018			Met goal	100%	2%
Benchmark*	37%	30%	Meet goal	100%	2%

University of Maryland Center for Environmental Sciences
Dashboard Indicators, June 2019

As of 5/28/19

* Benchmark = Comparison to external standard (P = peers; B = BOR policy; N = national standard; S = State policy; I = institutional goal)

National Eminence/Quality					
Year	Students		Faculty		
	1-UMCES Average GRE score of incoming students directed by UMCES faculty		2-UMCES Number of peer reviewed publications by UMCES faculty	3-UMCES Number of citations per peer reviewed publication	9 - UMCES Total R&D expendit. per Core faculty*
2013	1232		168	35.9	\$675,770
2014	1250		200	38.3	\$686,676
2015	1250		164	40.5	\$705,405
2016	1250		159	43.9	\$702,712
2017	312		180	46.3	\$811,111
2018	313		185	47.0	
	new score system				
Benchmark*					


Workforce & Economic Development				
Year	5-UMCES Number of UMCES-sponsored Chesapeake Bay restoration projects	6-UMCES Number of K-12 teachers trained in UMCES environmental projects	7-UMCES Number of K-12 students involved in UMCES environmental education projects	8-UMCES Total R&D expenditures (000s)
	2013	183	442	11,000
2014	229	608	11,000	\$50,814
2015	214	888	11,000	\$52,200
2016	212	1309	11,000	\$55,000
2017	194	1753	11,000	\$58,400
2018	184	305**	11,000	
Benchmark*				


Stewardship		
Year	43 Fund balance increase: goal achievement	44 % of fundraising goal achieved
	2013	Did not meet goal
2014	Met goal	95%
2015	Met goal	99%
2016	Met goal	54%
2017	Met goal	49%
2018	Met goal	
Benchmark*	Meet goal	100%

Effectiveness & Efficiency	
Year	52 Facilities renewal \$ as % of replacem. value
	2013
2014	0.4%
2015	0.3%
2016	0.4%
2017	0.3%
2018	2.4%
Benchmark*	2.0%


* Core Faculty = TTT + Research Professor Lines


IMPROVEMENT – a comparison with past performance

If currently at or above the average of the 3 previous years:  Green

If currently below the average of the 3 previous years:  Red

ADEQUACY – a comparison with peer, BOR policy, national standard, state policy or institutional goal

If currently at or above the benchmark:  Green

If currently below the benchmark:  Red



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: USM Capital Projects: Periodic Status Report

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 12, 2019

SUMMARY: This report provides information on the status of capital improvement projects systemwide. Included are contract awards, completions, and detailed project schedules. The attached report reflects activity for the nine-month period starting August 1, 2018 and ending April 30, 2019.

Highlights include:

- Two design awards (\$4.7 million) to Maryland firms
- Ten construction awards (\$149.4 million)
- Nine construction awards to Maryland firms (\$145.1 million)
- Seven project completions (\$196.3 million)

ALTERNATIVE(S): This is an information item.

FISCAL IMPACT: This is an information item.

CHANCELLOR’S RECOMMENDATION: This is an information item.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



SUMMARY: USM PROJECT STATUS REPORT ON MAJOR CONSTRUCTION PROJECTS
AS OF APRIL 30, 2019

This report provides information on capital projects System-wide, excluding maintenance and energy performance contracts. Projects are funded through a variety of sources: State capital and operating funds, including facilities renewal; internal funding through the System Funded Construction Program (SFCP); private funds; and federal grants. This report is a summary of contract awards, project completions and project schedules for the nine-month period beginning August 1, 2018 and ending April 30, 2019. Only construction projects that are \$1 million, or greater, are included in this report.

ONGOING PROJECTS:

As of April 30, 2019, there are a total of 62 projects System-wide either pending design, or in design or construction, that are managed by the service centers.

CONTRACT AWARDS:

Design Awards

CSU Percy Julian Science Building Renov	Holback + Quinn Evans (MD)	\$ 2,973,873
UMBC Retriever Activities Ctr (RAC)	Marshall Craft Assoc. (MD)	\$ 1,745,267

Two design contracts for \$4.7 million were awarded during the nine-month period ending April 30, 2019.

Construction Awards, Including Design/Build and Construction Management

CSU Percy Julian Sci Bldg Ren CM Pre-Constr	Barton Mallow (MD)	\$ 340,000
BSU New Parking Lot (400 cars)	Oakmont Contracting (MD)	\$ 2,677,189
FSU Ed & Health Sci Center CM Pre-Constr	Barton Mallow (MD)	\$ 460,501
TU Athletic Fields Replacement	Field Turf USA (PA)	\$ 4,312,320
TU Glen Dining Hall Renovation	Turner Construction (MD)	\$ 7,954,000
TU 7800 1 st & 2 nd Floor Renovation	Oakmont Contracting (MD)	\$ 2,438,645
TU University Union Exp & Renov Bid Pkg #1-4	Barton Mallow (MD)	\$ 88,640,008
UMBC Retriever Act Ctr (RAC) CM Pre-Constr	J. Vinton Schafer (MD)	\$ 354,973
UMCP Cole Field House Renov Bid Pkg #7	Gilbane Bldg Co. (MD)	\$ 40,727,724
UMCP Stamp Student Entrance Renov.	DPR Construction (MD)	\$ 1,497,011

Ten construction awards for a total of \$149.4 million were made during the nine-month period ending April 30, 2019.

PROJECT COMPLETIONS:

UMCP - Brendan Iribe Center for Computer Science and Innovation	\$ 152,250,000
UMCP - Dorchester Hall Renovation	\$ 10,300,000
UMCP - Mowatt Lane and Union Lane Garages Renovation	\$ 1,770,000
UMCP - Relocate Tennis Courts (Cole spin-off project)	\$ 1,650,000
UMCP – School of Public Health Labs/Studios Renovation	\$ 9,210,835
SU - Severn Hall Architectural Renovation	\$ 8,000,000
UB – Replace USPS Maintenance Facility	\$ 13,180,000

Seven projects for a total cost of \$196.3 million were completed in the nine-month period ending April 30, 2019.

PROJECT TABLE: The attached information includes schedules for ongoing activities in the FY2020 Capital Improvement Program and the FY2019 System Funded Construction Program.

USM PROJECT STATUS REPORT ON MAJOR CONSTRUCTION PROJECTS AS OF April 30, 2019

STATE-FUNDED CIP PROJECTS											
SYSTEM-FUNDED NON-STATE/AUXILIARY PROJECTS											
Institution	Project	Code	Estimated Total Cost	Budget Designation	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Future Funding Requirements
UMCP	Cole Fieldhouse Conversion/ Expansion (aka Human Performance & Academic Research Facility) <i>Architect: Cannon Design, MD</i> <i>Contractor: Gilbane, MD</i>	2/3	195,700,000	State/NBF	6/15	CM-10/15	12/15	12/19	195,700,000	MCCBL 15, 16, 17; 18, 19; Cash	0.00
TU	New Science Facility <i>Architect: Cannon Design, MD</i> <i>Contractor: Whiting Turner, MD</i>	1	183,819,000	State/NBF	8/14	CM	10/17	8/20	183,819,000	MCCBL 12,16,17;18, 19; 40th Bond Resolution, Bond Premium, Cash	0.00
TU	College of Health Professions Bldg.	1	165,953,000	State					5,266,000	MCCBL 19	160,687,000
USG	Biomed Sc. & Eng. Ed. Facility <i>Architect: Cooper Carry, Inc. of Georgia</i> <i>Contractor: Gilbane Bldg. Co., MD</i>	1	162,481,000	State	5/14	CM	6/16	7/19	162,481,000	MCCBL 13, 14, 15, 16, 17, 18	0.00
BSU	Communication Arts & Humanities Building	1	131,835,000	State	10/19		2/22	4/24	5,100,000	MCCBL 19	126,735,000
UMBC	Interdisciplinary Life Sc. Bldg. <i>Architect: Ballinger, PA</i> <i>Contractor: Whiting Turner, MD</i>	1	123,047,000	State	4/15	CM- 4/15	5/17	8/19	120,788,000	MCCBL 14, 15, 16, 17, 18, 40th Bond Resolution	2,259,000
TU	Union Addition/Renovation <i>Architect: Design Collective, MD</i> <i>Contractor: Barton Mallow, MD</i>	2/3	108,770,000	SFCP	12/16	CM	10/18	8/20-Add'n 8/21-Renov	70,670,000	38th, 39th, 40th Bond Resolutions	38,100,000
UMCP	Chemistry Building Ph 3, Wing 1 Replacement <i>Architect: Whiting-Turner, MD</i>	3	102,899,000	State	5/19	D/B	1/21	6/23	22,063,000	MCCBL 18, 19; Cash	80,836,000

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Institution	Project	Code	Estimated Total Cost	Budget Designation	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Future Funding Requirements
UMCP	New Residence Hall (900 beds) Contractor: Holder Construction, VA	1	100,900,000	SFCP	2/18	D/B	6/19	8/21	66,500,000	39th, 40th Bond Resolutions	34,400,000
UMES	School of Pharmacy and Allied Health Contractor: Gilbane Bldg. Co., MD	1	89,898,000	State	9/17	CM	1/20	1/22	16,563,000	MCCBL16, 17, 19 UMES trnsfr	73,335,000
FSU	Education and Health Sciences Center Architect: Ayers St. Gross	1	86,876,000	State	6/18	CM	3/20	3/22	11,700,000	MCCBL16, 17, 18, 19	75,176,000
USM	Southern MD Regional HEC Architect: Cooper Cary Inc., GA	1	85,995,000	State/NBF	8/16	CM	10/19	10/21	18,964,000	MCCBL 13,14,15,16, 19; Cash	67,031,000
UMB	Central Electric Substation and Electrical Infrastructure Upgrades, Phased Engineer: RMF Engineering, Inc., MD	5	74,920,000 (All) 29,377,000 (Ph 1)	State	3/17	GC/CM	5/19-ph1	5/20-ph 1	31,613,000	MCCBL 16,17, 18, 19, Cash	2,236,000
UMCP	IDEA Factory Bldg. Design/Build Contractor: Clark Construction (MD)	1	50,000,000	SFCP	9/18	D/B	12/19	8/21	50,000,000	Cash	0.00
UMCP	North Dining Hall Replacement	1	49,650,000	SFCP	2/18	D/B	6/19	8/21	11,500,000	39th, 40th Bond Resolution	38,150,000
UMCP	School of Public Policy Bldg. Architect: Leo Daly, DC Contractor: J. Vinton Schafer, MD	1	45,000,000	State/NBF	7/17	CM	2/20	3/22	23,194,000	Cash, MCCBL 17, 18, 19	21,806,000
CSU	Percy Julian Bldg. Renovation for the College of Business Architect: Quinn Evans & Goody Clancy	3	44,008,000	State	1/19	CM	07/20	03/22	2,970,000	MCCBL 17, 18	41,038,000

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Institution	Project	Code	Estimated Total Cost	Budget Designation	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Future Funding Requirements
FSU	New Residence Hall <u>Contractor:</u> P.J. Dick, Inc., PA	1	42,895,000	SFCP	5/17	D/B	6/18	2/20	26,618,000	Cash, 40th Bond Resolution	16,277,000
UMCP	Replace North Dining Hall <u>Contractor:</u> Holder Construction Group, VA	3	39,450,000	SFCP	2/18	D/B	5/29	6/21	11,500,000	39th, 40th Bond Resolution	27,950,000
UMBC	Retriever Activities Center Renewal <u>Architect:</u> Marshall Craft Assoc., MD <u>Contractor:</u> J. Vinton Schafer & Sons, MD	3	28,200,000	SFCP	10/18	CM	12/19	8/21	2,200,000	Cash and FY 2020/21 Auxiliary Revenue Bonds	26,000,000
UMBC	Utility Upgrades	5	17,274,000 - all 4,372,000, ph1	State	7/19	GC	12/19	5/22	5,382,000	MCCBL 18, 19	11,892,000
FSU	Five Dorm Renovation <u>Architect:</u> In-house	3	14,400,000	SFCP	7/16		7/17	8/19	5,700,000	39th Bond Resolution; Cash	8,700,000
UB	Replace USPS Maintenance Facility <u>Contractor:</u> Whiting Turner, MD	3	13,180,000	SFCP	8/15	D/B	9/17	11/18	13,180,000	Cash	0.00
UMB	Howard Hall/Bressler Research Bldg. Substation <u>Engineer:</u> RMF Engineering, MD	5	13,000,000	SFCP	8/17	GC	9/19	2/21	13,000,000	Cash	0.00
UMCP	Chemistry Renovations to Wings 2,3,& 5 <u>Architect:</u> HCM, MD; <u>Contractor:</u> Kinsley, MD	3	12,500,000	State	5/18	On-Call CM	7/19	4/20	12,500,000	Cash	0.00
UMCP	Rosborough Ln. Garage (300 sp.)	1	12,000,000	SFCP	4/19	CM	4/21	4/23	2,000,000	40th Bond Resolution	10,000,000

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UMES	Flood Mitigation	5	10,434,000	State	10/19		7/21	7/22	1,008,000	MCCBL 19	9,426,000
TU	Glen Dining Hall Renovation <i>Architect: GWWO, MD</i> <i>Contractor: Turner Constr., MD</i>	3	10,400,000	SFCP	1/18	GC	1/19	1/20	10,400,000	Cash	0.00
SU	Maggs Natatorium Renovation <i>Contractor: Whiting Turner, MD</i>	3	10,000,000	SFCP	3/18	D/B	2/20	6/20	10,000,000	Cash	0.00
UMBC	Hillside /Terrace Systems Upgrades <i>Architect: Design Collective, MD</i> <i>Contractor: Jeffrey Brown and Whiting-Turner (MD)</i>	3/5	9,850,000	SFCP	7/18	CM	3/19	8/20	5,500,000	Cash	4,350,000
UMB	Interprofessional Education Ctr.	1	9,300,000	SFCP			9/19	3/21	3,000,000	Cash	6,300,000
UMCP	School of Public Health Labs and Studios Renovation <i>Contractor: J. Vinton Schafer, MD</i>	3	9,210,835	SFCP	8/16	CM	4/18	10/18	9,210,835	Cash	0.00
UMES	Agricultural Research and Education Center	1	9,066,772	SFCP	2/19	D/B	1/20	1/21	9,066,772	Grants/Cash	0.00
UMB	Renovate 121 N. Greene St.	3	8,000,000	SFCP	12/18		9/19	3/21	8,000,000	Cash	0.00

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UMCP	HJP Wing 2 Mech Rm. (part of Campuswide Bldg. System and Infrastructure Improvements) Architect: Design Collective, MD Contractor: J. Vinton Schafer, MD	5	8,080,000	State	11/15	CM-12/15	6/19	1/20	8,080,000	MCCBL 14; FR	0.00
SU	3D Arts Building Renovation Architect: Whitman Requardt, MD	3	5,400,000	SFCP	7/19	DB	5/20	9/20	5,400,000	Cash	0.00
SU	Field Hockey Stadium	3	5,000,000	SFCP	10/19		7/20	10/20	500,000	Cash	4,500,000
BSU	Marshall Library HVAC Improvements, Ph 1 Architect: Kibart, MD	5	4,900,000	SFCP	3/18	GC	10/18	12/19	4,900,000	Cash	0.00
TU	Practice Field Improvements Contractor: FieldTurf USA, Inc. (PA)	5	4,900,000	State	11/17	D/B	11/18	7/19	4,900,000	Plant Funds; MCCBL 17, 18	0.00
TU	Glen Plaza Renovation	5	4,400,000	SFCP	8/18	TBD	5/20	7/21	4,400,000	Cash	0.00
UMCP	Construct New Office Bldg. for Central MD Research/Educ. Ctr., Clarksville	1	4,300,000	SFCP	10/18	D/B		10/19	4,300,000	Cash	0.00
UMB	Elevator/Fire Alarm Improve. in Various Garages (including Pearl St. Garage) Architect: UMB in-house design Contractor(s): Maranto & Sons, QSS, Brawer Builders, Emjay of MD	5	4,130,000	SFCP	7/13	GC, D/B	1/14	6/19	4,130,000	35th Bond Resolution	0.00
UMBC	Stadium Improvements	4	4,000,000	State	4/19	CM	5/20	8/21	4,000,000	MCCBL 18	0.00

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UMB	Bressler Research Bldg. Electrical Substations 2 - 7 Renewal Design: In-House (UMB Engineering)	5	3,500,000	SFCP	2/19		2/20	2/21	3,500,000	Cash	0.00
BSU	New Parking Lot (400 cars) Architect: WBCM, Maryland Contractor: Oakmont Contracting, MD	5	3,500,000	SFCP	2/18	TBD	3/19	9/19	3,500,000	Cash	0.00
UMCP	Animal Sciences Wing 3 Replace Air Handlers (part of Campuswide Infrastructure Improvements) Architect: Kibart, MD Contractor: Maryland Mechanical, Inc.	5	3,400,000	State	9/16	On-Call GC	10/17	5/19	3,400,000	MCCBL 13, 14	0.00
UMB	Health Sciences Facility I - Cooling Tower Replacement Engineer: MS Engineering, MD Contractor: Emjay Engineering, MD	5	2,900,000	State/NBF	6/14	GC	3/17	1/19	2,900,000	CFR/Cash	0.00
UMCP	Chemistry Wing 2 AHU Replacement Architect: P&C Design Services	5	2,500,000	SFCP	6/17	GC	4/19	8/19	2,500,000	Cash	0.00
UMCP	Union Lane Garage Renovation Architect: Kibart, MD Contractor: Maryland Mechanical	3	2,425,000	SFCP	12/18	GC	5/19	8/19	2,425,000	Cash	0.00
UMB	MSTF Air Handling Units and Exhaust System Renewal	5	2,400,000	SFCP	9/18		9/19	9/20	2,400,000	Cash	0.00
UMB	School of Pharmacy Bldg. Electrical System Renewal	5	2,300,000	SFCP	5/19		5/20	5/21	2,300,000	Cash	0.00
UMB	Emergency Exit Upgrades	5	2,300,000	SFCP	4/18		7/18	2/21	2,300,000	Cash	0.00

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Institution	Project	Code	Estimated Total Cost	Budget Designation	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Future Funding Requirements
UMB	Howard Hall Exhaust System <i>Architect: BKM of MD</i>	5	2,000,000	SFCP	4/18	GC	5/19	6/20	2,000,000	Cash	0.00
UMB	HSFII Fire Alarm System Renewal	5	1,900,000	SFCP	10/18	Open Bid	9/19	6/20	1,900,000	CFR/Cash	0.00
UMCP	Mitchell Infrastructure Renovation	5	1,832,000	SFCP	11/15	TBD	8/18	3/19	1,091,500	FR	740,500
UMB	108 N. Greene Street Chiller Extension	5	1,800,000	SFCP	4/19	Open Bid	1/20	6/21	1,800,000	Cash	0.00
UMB	School of Medicine Compressed Air System and Centralized Vacuum System Renewal for Multiple Bldgs.	5	1,600,000	SFCP	2/19		2/20	11/20	1,600,000	Cash	0.00
UMCP	Campus Creek Restoration <i>Architect: A. Morton Thomas, MD</i> <i>Contractor: Meadville Land Services, Inc., PA</i>	5	1,495,000	State; Grant; NBF	6/15		6/19	10/19	1,495,000	Cash; FR	0.00
UMCP	Create a Studio Classrm. For the Seigel Learning Ctr. in Patterson Hall	3	1,400,000	SFCP	4/18		9/18	1/19	1,400,000	Cash	0.00
UMB	Biomedical Research Bldg. Air Handler <i>Contractor: Min Engineering, MD</i>	5	1,400,000	SFCP	10/17	GC	12/18	10/19	1,400,000	Cash	0.00

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UMB	Medical School Teaching Facility - Replace Condensate Removal System <i>Engineer: RMF Engineering, MD</i> <i>Contractor: Emjay, MD</i>	5	1,400,000	SFCP	8/16	GC	9/17	9/18	1,400,000	Cash	0.00	
UMB	HS/HSL Cooling Tower Replacement <i>Architect: RMF Engineering, MD</i> <i>Contractor: Boland, MD</i>	5	1,400,000	SFCP	6/17	GC	3/18	5/19	1,400,000	Cash	0.00	
UMB	737 Lombard St. Elevator Replacement <i>Consultant: Ashland Industrial</i> <i>Contractor: Delaware Elevator</i>	5	1,200,000	SFCP	9/16	GC	7/17	9/18	1,200,000	Cash	0.00	
UMB	School of Pharmacy HVAC Fan Coil Units/Heating & Cooling Piping Replacement <i>Architect: Burdette Koelher, Murphy & Associates, MD</i>	5	1,200,000	SFCP	1/18	GC	1/19	7/20	1,200,000	Cash	0.00	
Total Program (State and non-State/ Auxiliary)			\$2,067,679,607	Estimated Economic Impact (full-time jobs):				7,754	Jobs supported by the capital program per DBM formula of 7.5 FTE direct (construction-related) jobs per \$1M investment divided by a rough average duration of construction from award through completion of 2 years			

Codes: 1 New facility Total cost: Total estimated project cost including planning, construction & equipment.
 2 Addition/Expansion/Extension Start design: Date of BPW approval of architect/engineer. CM = Construction Management
 3 Renovation or Replacement Construction Start: Date of BPW approval of contractor. D/B = Design/Build
 4 Alterations and Addition Completion: Date of substantial completion/beneficial occupancy. GC = General Contractor
 5 Infrastructure OCGC = On-Call General Contractor

KEY NBF = Non-budgeted funds; MCCBL = State General Obligation Bonds; AFBA = Academic Revenue Bonds (approved by State); FR = Facilities Renewal
 USM Bonds = USM Auxiliary Revenue Bonds; CASH = Institutional funding, including cash and plant funds