



UNIVERSITY SYSTEM
of MARYLAND

Board of Regents
Committee on Finance

September 12, 2019
University of Maryland Global Campus
AGENDA FOR PUBLIC SESSION

Call to Order

Chairman Attman

1. Convening Closed Session (action)*
2. Amendment to Fiscal Year 2020 Schedule of Tuition and Mandatory Fees to recognize Towson University Undergraduate Differential Pricing Tuition Rates (action)
3. University of Maryland Baltimore County: New Health Services and Counseling Building (action)
4. University System of Maryland: Amendment to the Forty-First Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds (action)
5. University of Maryland, College Park: New Cole Field House (action)
6. Committee Charge (action)
7. Board of Regents Statement of Values and Expectations—Update on 2019 End of Year Report on Planning Activities (information)

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



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Convening Closed Session

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 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: September 12, 2019
Time: 10:30 a.m.
Location: University of Maryland Global Campus

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:

To consider the investment of the USM Common Trust Fund; the proposed FY 2021 Operating Budget submission and potential adjustments to the submission; and the proposed FY 2021 Capital Budget submission and potential adjustments to the submission.

REASON FOR CLOSING:

To maintain confidentiality of discussions of the investment of public funds (§3-305(b)(5)); and to maintain the confidentiality (pursuant to executive privilege) of proposed operating and capital budgets prior to the Governor's submission to legislature (§3-305(b)(13)).



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Amendment to Fiscal Year 2020 Schedule of Tuition and Mandatory Fees to recognize Towson University Undergraduate Differential Pricing Tuition Rates

COMMITTEE: Finance Committee

DATE OF COMMITTEE MEETING: September 12, 2019

SUMMARY: On June 21, 2019, the Board of Regents approved Towson University’s proposal to charge market-based, differential pricing in three areas of study—the College of Business and Economics, the Department of Nursing, and the Department of Information and Computer Science (see Attachment 2). The purpose of this item is to incorporate those rates into the previously approved USM Schedule of Tuition and Mandatory Fees. The FY 2020 schedule was initially approved by the Board when it met on April 19, 2019.

As you may recall, the Board approved the University’s request to charge junior and senior level business, nursing and computer science undergraduate students an additional \$1,500/year in addition to the annual standard tuition and mandatory fees. It was noted that resident and nonresident students would be charged the same differential pricing, and importantly, all current students would be “grandfathered” and thus not subject to the differential pricing.

The differential pricing will be phased-in over three years. In FY 2020, the differential pricing will be \$500/year, beginning in the spring semester. By FY 2022, the full differential will be in effect at \$1,500/year. Student charges for differential pricing will be capped at a maximum of \$3,000 per student.

ALTERNATIVE(S): The Board may elect to adjust the recommended tuition schedule; however, it would then not be in line with the rates as approved for Towson University in June.

FISCAL IMPACT: The FY 2020 projected gross revenue from the differential pricing is expected to be minimal due to the “grandfathering” of current students. Only transfer students will be subject to the new rate in FY 2020.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the amended tuition and mandatory fees schedule as presented.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

**SCHEDULE OF TUITION AND MANDATORY FEES
Fiscal 2020**

	Recommended Change			%
	FY 2019	FY 2020	Amount	
TOWSON UNIVERSITY				
FULL-TIME UNDERGRADUATE STUDENT				
In-State Tuition	6,826	6,962	136	2.0%
Out-of-State Tuition	20,094	21,098	1,004	5.0%
Out-of-State Regional Tuition On-Site Hagerstown	10,240	10,444	204	2.0%
Technology Fee - flat rate	206	212	6	2.9%
Auxiliary Fees - flat rate* (unless noted):				
Athletics	956	998	42	4.4%
Auxiliary Services	648	648	0	0.0%
Auxiliary Services - Construction	1,214	1,280	66	5.4%
Student Services - SGA	90	98	8	8.9%
Total Fees	3,114	3,236	122	3.9%
Total In-State Cost	9,940	10,198	258	2.6%
Total Out-of-State Cost	23,208	24,334	1,126	4.9%
Total Out-of-State Regional Cost On-Site Hagerstown	11,660	11,936	276	2.4%
PART-TIME UNDERGRADUATE PER CREDIT HOUR				
In-State Tuition	293	299	6	2.0%
Out-of-State Tuition	846	888	42	5.0%
Out-of-State Regional Tuition On-Site Hagerstown	443	452	9	2.0%
Technology Fee - per credit hour	9	9	0	0.0%
Auxiliary Fees - per credit hour* (unless noted):				
Athletics	43	45	2	4.7%
Auxiliary Services	30	30	0	0.0%
Auxiliary Services - Construction	55	58	3	5.5%
Student Services - SGA	4	5	1	25.0%
Total Fees:	141	147	6	4.3%

**NEW: SPECIAL TUITION RATES FOR UNDERGRADUATES (effective spring semester 2020)
JUNIORS & SENIORS MAJORING IN BUSINESS, NURSING, & COMPUTER SCIENCE**

Students enrolled in these programs will be charged the annual standard tuition & mandatory fees above, PLUS the annual differential pricing rate.

In-State and Out-of-State undergraduate students will be charged the same differential pricing rate.

Full-time Undergraduate Jr./Sr. rate:	500
Part-time Undergraduate Jr./Sr. rate (per credit hour):	21

FULL-TIME UNDERGRADUATE STUDENT - JUNIORS & SENIORS MAJORING IN BUSINESS, NURSING & COMPUTER SCIENCE				
In-State Tuition	6,826	6,962	136	2.0%
Out-of-State Tuition	20,094	21,098	1,004	5.0%
Out-of-State Regional Tuition On-Site Hagerstown	10,240	10,444	204	2.0%
Differential Pricing Rate Jr./Sr. (effective spring semester 2020)		500	500	N/A
Fees (Per Student)	3,114	3,236	122	3.9%
Total In-State Full-time	9,940	10,698	758	7.6%
Total Out-of-State Full-time	23,208	24,834	1,626	7.0%
Total Out-of-State Regional Tuition On-Site Hagerstown	13,354	14,180	1,084	6.2%

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.

**SCHEDULE OF TUITION AND MANDATORY FEES
Fiscal 2020**

	Recommended Change			%
	FY 2019	FY 2020	Amount	
PART-TIME UNDERGRADUATE - JUNIORS & SENIORS MAJORING IN BUSINESS, NURSING & COMPUTER SCIENCE				
In-State Tuition (Per Credit Hour)	293	299	6	2.0%
Out-of-State Tuition (Per Credit Hour)	846	888	42	5.0%
Out-of-State Regional Tuition On-Site Hagerstown	443	452	9	2.0%
Differential Pricing Rate Jr./Sr. (Per Credit Hour; effective spring semester 2020)		21	21	N/A
Total In-State Part-time	293	320	27	9.2%
Total Out-of-State Part-time	846	909	63	7.4%
Total Out-of-State Regional Tuition On-Site Hagerstown	443	473	30	6.8%
Part-time mandatory fee (per credit hour)	141	147	6	4.3%
PART-TIME GRADUATE PER CREDIT HOUR				
In-State Tuition	418	439	21	5.0%
Out-of-State Tuition	865	908	43	5.0%
Out-of-State Regional Tuition On-Site Hagerstown	627	658	31	4.9%
Technology Fee - per credit hour	9	9	0	0.0%
Auxiliary Fees - per credit hour* (unless noted):				
Athletics	43	45	2	4.7%
Auxiliary Services	30	30	0	0.0%
Auxiliary Services - Construction	55	58	3	5.5%
Graduate SGA	4	4	0	0.0%
Total Fees:	141	146	5	3.5%
*Auxiliary fees for students attending Towson University North East or TUNE are one-half the main campus rate. Students taking classes at Hagerstown and other locations, (with the exception of TUNE) with a greater than 25 mile radius from the main campus pay only the technology fee and the auxiliary services construction fee.				
PART-TIME GRADUATE PER COURSE - AIT PROGRAM				
Tuition AIT program (except AIT 500 & 501) - per course	1,575	1,653	78	5.0%
Tuition - AIT 500 - per course	1,969	2,067	98	5.0%
Tuition - AIT 501 - per course	1,706	1,792	86	5.0%
Tuition - AIT 885 - per course	525	551	26	5.0%
PART-TIME DOCTORATE PER UNIT - CAIT PROGRAM	653	685	32	4.9%
JOINT DEGREE WITH UNIVERSITY OF BALTIMORE FOR M.S. ACCOUNTING & BUSINESS ADVISORY SERVICE**				
PART-TIME GRADUATE PER CREDIT HOUR				
In-State Tuition (in person and Web instruction)	801	809	8	1.0%
Regional Tuition (in person and Web instruction)#	801	809	8	1.0%
Out-of-State Tuition (in person and Web instruction)	1,106	1,117	11	1.0%
Technology Fee - per credit hour	9	9	0	0.0%
Auxiliary Fees - per credit hour (unless noted):				
Auxiliary Construction	3	3	0	0.0%
Auxiliary Operation	23	23	0	0.0%
Student Center Fee	34	34	0	0.0%
Student Services Fee	16	16	0	0.0%
Student Government Association - flat rate	50	50	0	0.0%

**Joint degree with University of Baltimore (UB) for the MBA is charged and billed through UB

#Regional: VA - Arlington, Fairfax, Prince William counties, PA - Adam, York, Lancaster counties, DE - all counties, DC

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.

ATTACHMENT 2



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

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.



TOPIC: University of Maryland Baltimore County: New Health Services and Counseling Building

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 12, 2019

SUMMARY: The University of Maryland Baltimore County (UMBC) requests Board of Regents approval to build a new 24,000 GSF building to house University Health Services and the Counseling Center. The project was included in the Five-Year System-Funded Construction Program considered by the Board in June, but with the initial funding in year four (FY 2023). The critical nature of the project has prompted the advancement of funding to FY 2020 as described below.

University Health Services is located in the basement of one of UMBC's residential buildings. Over the last ten years, services promoting health and wellness have expanded in response to student needs, without corresponding increases in space. Detailed programming has identified the need for nearly 40 percent more space to adequately support current and future enrollment.

The Counseling Center shares four interconnected trailers with the Office of Student Conduct and Community Standards and the Interfaith Center. The trailers have reached the end of their 30-year average lifespan and have become increasingly difficult to maintain. Although considerable time and money is spent maintaining the trailers, occupants and visitors complain of poor conditions. As the mental health needs of our students continue to grow, there is no available space within the trailers to accommodate additional Counseling Center staff.

UMBC has followed national best practice and placed University Health Services and the Counseling Center under the leadership of a Director of Health and Counseling. Co-locating and integrating counseling and health services in a single facility to provide holistic care, emphasize well-being, and streamline resources is also part of national trends and best practices. Studies show that students prefer integrated centers and are more likely to use mental health services due to a reduction of stigma. Emphasis on physical, behavioral, and emotional wellbeing has been linked to academic success, retention, and matriculation.

The Health Services and Counseling Building will provide an appropriately sized and outfitted building in a central campus location to streamline and enhance services supporting the physical, behavioral, and emotional well-being of our community, especially our students. The University proposes using the design-build project delivery method to complete a modest, modern facility by fall 2021.

ALTERNATIVE(S): UMBC could continue to house University Health Services in insufficient space and the Counseling Center in space that fails to meet the campus's basic needs.

FISCAL IMPACT: The total estimated cost is \$17,000,000 (Planning, Construction, and Equipment). The source of FY 2020 funding includes:

- \$5,000,000 from institutional funds
- \$12,000,000 from auxiliary revenue bonds

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the funding of a new Health Services and Counseling Building through the use of up to \$12,000,000 of University System of Maryland revenue bonds, and \$5,000,000 of UMBC institutional funds as described above.

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

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 12, 2019

SUMMARY: The Board of Regents has previously adopted forty-one bond resolutions, with amendments, authorizing the issuance of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The proposed amendment to the Forty-First Resolution authorizes the issuance of Revenue Bonds to finance an additional \$12 million, bringing the total Resolution to \$134,131,000 of academic and auxiliary facilities projects.

The purpose of this amendment is to add the New Health Services and Counseling Building on the UMBC campus to the Auxiliary Facilities Project list originally submitted in the Forty-First Bond Resolution.

BOND COUNSEL: Miles & Stockbridge P.C.

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

FISCAL IMPACT: Issuance of an additional \$12,000,000 of bonds would result in debt service of approximately \$956,000 per year for 20 years at 5.0%.

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

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

AMENDMENT TO

FORTY-FIRST BOND RESOLUTION

OF THE BOARD OF REGENTS OF THE

UNIVERSITY SYSTEM OF MARYLAND

**AMENDMENT TO
FORTY-FIRST BOND RESOLUTION
OF THE BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF MARYLAND**

RECITALS

WHEREAS, pursuant to Title 19 of the Education Article of the Annotated Code of Maryland (2018 Replacement Volume and 2018 Supplement) ("Title 19"), the University of Maryland System (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 on May 3, 1989, the System approved the 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 Indenture and the Forty-First Bond Resolution of the Board of Regents of the University System of Maryland adopted on June 21, 2019 (the "Forty-First Bond Resolution"), the System authorized the issuance and sale of 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 defined in the Forty-First Bond Resolution) in one or more series from time to time, subject to the terms and conditions of the Forty-First Bond Resolution and the Indenture and secured by and payable from the Trust Estate pledged under the Indenture;

WHEREAS, as permitted by Section 5.04 of the Forty-First Bond Resolution, the System has determined to amend the Forty-First Bond Resolution to add an additional Auxiliary Facility Project as a Project for which the Forty-First Bond Resolutions Bonds may be used and to increase the principal amount of Forty-First Resolution Bonds authorized thereby;

WHEREAS, the System desires that this Forty-First Bond Resolution serve and constitute as a declaration of official intent within the meaning of, and for the purposes set forth in Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department.

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

ARTICLE I

DEFINITIONS

Except as otherwise provided herein, all capitalized terms contained in the Indenture and the Forty-First Bond Resolution when used in this Amendment shall have the same meaning herein as set forth in the Indenture and the Forty-First Bond Resolution.

ARTICLE II

AMENDMENTS TO FORTY-FIRST BOND RESOLUTION

Section 2.01. Increase in Principal Amount of Forty-First Resolution Bonds Authorized. The Forty-First Bond Resolution is hereby amended by deleting the number "\$122,131,000" and inserting in lieu thereof "\$134,131,000" in each place in which such numbers and words appear.

Section 2.02. Additional Auxiliary Facilities Project Authorized. The following "auxiliary facility" project is hereby added as a "project" authorized by Section 2.04 of the Forty-First Bond Resolution and 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 any one or more of the following projects::

University of Maryland, Baltimore County

University Health Services Facility

Section 2.03. Declaration of Official Intent.

The System reasonably expects to pay costs permitted by this amendment to the Forty-First Bond Resolution with respect to the Projects described in Section 2.04 prior to the issuance of the Forty-First Resolution Bonds and reasonably expects that certain proceeds of the Forty-First Resolution Bonds will be used to reimburse the System all or a portion of such prior expenditures paid by the System. Because the System intends that the interest on the Forty-First Resolution Bonds will be excludable from the gross income of the holder for purposes of federal income taxation, the System intends that this Amendment to Forty-First Bond Resolution shall be and constitute a declaration of official intent within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department.

ARTICLE III

EFFECTIVE DATE

Section 3.01. Effective Date. This Amendment shall be effective on the date of its adoption by the Board of Regents

ADOPTED, this ____ day of _____, 2019.



TOPIC: University of Maryland, College Park: New Cole Field House

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 12, 2019

SUMMARY: The University of Maryland, College Park (UMD) requests approval to increase the funding authorization for New Cole Field House by \$14,300,000, from \$195,700,000 to \$210,000,000.

The Board of Regents originally authorized this academic/research, clinical and athletic project in December 2014 in the amount of \$155,000,000. In June 2017, the Board approved an increase in the expansion of academic, research, and athletic functions resulting in the current \$195,700,000 authorization.

The Indoor Practice Facility portion of the athletic spaces was completed in summer 2017 at a total cost of \$43,600,000 (\$39,400,000 direct and \$4,200,000 in relocation costs apportioned to athletics). All design and construction of the infrastructure and “core and shell” for the balance of the building and site is currently under contract in the amount of \$141,700,000 (\$60,700,000 allocated to academic/research/clinical uses and \$81,000,000 allocated to athletic uses).

During design, UMD made some programmatic changes to the academic/research and clinical portion of the project, including creating some additional “shell space” to support future research space needs. This impacted the schedule and cost. Construction of the athletic portion of the project encountered several delays and latent conditions, which also impacted schedule and cost. In addition, the current regional construction market is heated with high costs, which has impacted several projects at UMD and across the entire USM capital projects portfolio.

Due to these impacts, the project “fit-out” cannot be completed within the current authorization of \$195,700,000. UMD has recently competitively bid all athletic fit-out work in the amount of \$24,700,000 and recommends completing the remaining athletic spaces to bring to conclusion the athletic portion of the New Cole Field House project. This would require a \$14,300,000 increase to the current \$195,700,000 authorization for a total authorization of \$210,000,000 (\$43,600,000 for the Indoor Practice Facility, \$105,700,000 for other athletic spaces, and \$60,700,000 for academic/research and clinical spaces).

UMD is developing plans to fund and implement “fit-out” of the academic/research and clinic portion, and will seek authorization of these plans in the future. UMD is planning to establish a Brain and Behavior Research Institute in New Cole Field House, and the future plans will incorporate that program. Further design of the academic/research and clinic spaces is awaiting selection of the incoming Brain and Behavior Institute leader, whose research focus areas will drive specific fit-out needs, and conclusion of orthopedic clinic negotiations.

ALTERNATIVE(S): UMD could elect to defer fit-out of the athletic spaces, but this would defer enhancing the ability of the football program to be competitive, and would result in even higher costs due to cost escalation.

FISCAL IMPACT: UMD will fund the \$14,300,000 from institutional cash, to be repaid from Department of Intercollegiate Athletics revenues.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve this request for the University of Maryland, College Park to increase the funding authorization for New Cole Field House by \$14,300,000, from \$195,700,000 to \$210,000,000.

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: Committee Charge

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 12, 2019

SUMMARY: The members of the Finance Committee will review and discuss the proposed updates to the Committee’s charge (see attachment, pages 1-2).

ALTERNATIVE(S): Language could be amended based on the discussion.

FISCAL IMPACT: There is no anticipated fiscal impact.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the amended charge as presented.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923



Board of Regents
Committee on Finance

BYLAWS Article IX. Section 5.

Charge:

The Committee on Finance shall perform all necessary business and provide guidance to the Board to help ensure the long-term financial health and development of the University System, informed by strong fiscal and administrative policies.

Role and Responsibilities:

The Committee on Finance shall consider and report or recommend to the Board of Regents on matters concerning financial affairs; capital and operating budgets; facilities, student enrollment; investments; real property transactions; business entities; procurement contracts; human resources; tuition, fees, room and board charges; and the overall long-range financial planning for the University System.

Members of the Committee on Finance are appointed annually by the Chairperson of the Board. The Committee holds six regularly scheduled meetings during the fiscal year. The members of the Committee may expect to receive information for review in order to consider, and/or act on any of the following matters:

- A. Establishment of the University System's five-year Capital Improvement Program (CIP) request prior to its submission to the Governor. The CIP is comprised of a prioritized list of academic projects (e.g., instruction, research), for which State bond or cash funding is requested.
- B. Establishment of the University System's five-year System Funded Construction Program (SFCP) prior to its implementation. The SFCP incorporates prioritized requests from institutions for auxiliary and self-support projects (e.g., residence halls, parking facilities).
- C. Authorization to issue debt to fund the capital program through the use of academic and auxiliary revenue bonds.
- D. Off-cycle construction or renovation projects that exceed expenditure thresholds established in Board policy and procedures.
- E. Facilities Master Plans are high level, strategic land-use and physical development plans, which help direct campus construction and improvements 10-20 years into the future. They also guide campus priorities for the annual capital budget request. Typically, a campus president will give a presentation where they describe the institution's goals on a wide range of topics related to physical renewal and expansion, including: building location decisions, renovation and replacement options, utility expansion, real property acquisition, environmental concerns, and campus and community interaction.

- F. Capital projects status report which outlines the progress of all major design and construction projects underway System-wide. Data fields include overall cost, schedule, funding sources and prior approvals, as well as the name of the project architect and primary contractor.
- G. Aggregated energy and power purchase agreements; periodic reviews of progress by the System and individual institutions toward State sustainability goals pertaining to reduction of energy and greenhouse gas emissions.
- H. Acquisition and disposition of real property.
- I. Establishment of annual operating budget including state appropriation request to the Governor.
- J. Establishment of, or changes to tuition, mandatory student fees, and residential room and board rates.
- K. Student enrollment 10-year projection prior to its submission to the Maryland Higher Education Commission.
- L. Fall student enrollment attainment for each institution.
- M. Annual reports of the finances of intercollegiate athletics for those institutions with Division I programs.
- N. Review on a regular basis certain of the University's material financial matters, including the annual audited financial statements, balance sheet management and debt strategy, review and endorsement of endowment spending rule.
- O. Reports and recommendations from the investment advisor(s) and investment manager(s) regarding the investment of the Common Trust Fund and asset performance.
- P. Establishment of business entities, public/private partnerships, and the initiatives covered under the Board's HIEDA policy.
- Q. Review dashboard metrics and monitor outcomes for organizational improvement and excellence.
- R. Establishment of, or changes to existing fiscal and administrative policies.
- S. Human resources policies for all staff employees including but not limited to recruitment, retention, administration of benefits and leave, compensation and classification, layoff, separation, and grievances. This Committee shall also consider and recommend any changes to the exempt and nonexempt staff salary structures.
- T. Awarding of contracts and entering into cooperative agreements as specified in VIII-3.0 USM Procurement Policies and Procedures. This Committee shall approve all contracts that exceed \$5 million except contracts for capital projects, sponsored research, and real property.
- U. Pursuant to Section 13-306 of the Education Article, the annual contract, and any amendments thereto, between University of Maryland, Baltimore (UMB) and University of Maryland Medical System Corporation 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. 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.

Previous Versions



**Committee on Finance
Charge**

(post-11/17/2016 language)

BYLAWS OF THE BOARD OF REGENTS

Article IX. Section 5. Committee on Finance.

- A. The Committee on Finance shall consider and report or recommend to the Board on all matters related to financial affairs including the issuance of debt, annual audited financial statements, establishment of business entities, public/private partnerships, and the initiatives covered under the Board's HIEDA policy.
- B. The Committee on Finance shall consider and recommend the annual operating budget and amendments thereto. The Committee shall also consider and recommend tuition, mandatory fees, and residential room and board rates.
- C. The Committee on Finance shall consider and recommend the annual capital budget and amendments thereto. This Committee shall consider and report or recommend to the Board on matters pertaining but not limited to the acquisition and disposition of real property, the need for capital improvements, facilities renewal, and site planning, and new construction. The Committee shall receive and recommend institutional facilities master plans. The Committee approves aggregated energy and power purchase agreements, and periodically reviews progress by the System and individual institutions toward State sustainability goals pertaining to reduction of energy and greenhouse gas emissions.
- D. The Committee on Finance shall consider and recommend human resources policies for all staff employees including but not limited to recruitment, retention, administration of benefits and leave, compensation and classification, layoff, separation, and grievances. This Committee shall consider and recommend any changes to the exempt and nonexempt staff salary structures.

- E. This Committee shall receive reports and recommendations from the University System of Maryland investment advisor(s) and investment manager(s) and provide recommendations to the Board regarding the endowment investment and spending rule policies of the University System of Maryland.
- F. The Committee on Finance shall consider and recommend the annual student enrollment projection for a 10-year period. The Committee shall have responsibility for reviewing the “fall freeze” enrollment data as provided by each institution.
- G. The Committee on Finance shall consider and recommend entering into cooperative agreements and the awarding of contracts as specified in VIII-3.0 USM Procurement Policies and Procedures. The Committee shall approve all contracts that exceed \$5 million except contracts for capital projects, sponsored research and real property.
- H. The Finance Committee shall receive annual reports of the finances of intercollegiate athletics for those institutions with Division I programs.
- I. This Committee shall have responsibility for reviewing the annual contract, and any amendments thereto, between the University System and the University of Maryland Medical System Corporation, as developed by the President of the University of Maryland, Baltimore, the Dean of the School of Medicine, the Chancellor of the University System of Maryland, and the President of UMMS and shall recommend appropriate action to the Board of Regents, which may include procedures for annual review and adoption of the contract.



**Committee on Finance
Charge**

(pre-11/17/2016 language)

BYLAWS OF THE BOARD OF REGENTS

Article IX. Section 5. Committee on Finance.

- A. The Committee on Finance shall consider and report or recommend to the Board on all matters related to financial affairs (including affiliated foundations and alumni associations). The Committee shall consider and recommend the annual operating and capital budgets and amendments thereto. The Committee shall also consider and recommend compensation policies for all staff.
- B. This Committee shall consider and report or recommend to the Board on matters pertaining but not limited to purchase and sale of real estate, the need for capital improvements, site planning and landscaping, construction, operation and maintenance of the physical plant, the care and presentation of all furnishings, equipment and other such matters relating to buildings and grounds of the University System as may come before it.
- C. This Committee shall have responsibility for reviewing the annual contract, and any amendments thereto, between the University System and the University of Maryland Medical System Corporation, as developed by the President of the University of Maryland, Baltimore and the Chancellor of the University System of Maryland, and shall recommend appropriate action to the Board of Regents, which may include procedures for annual review and adoption of the contract.
- D. This Committee shall have the responsibility for reviewing and recommending to the Board of Regents appropriate action with respect to requests by the UMMS Corporation for grants from the State.
- E. This Committee shall receive reports and recommendations from the University System of Maryland investment Advisor and investment manager and provide recommendations to the Board regarding the endowment policies of the University System of Maryland.



TOPIC: Board of Regents Statement of Values and Expectations—Update on 2019 End of Year Report on Planning Activities

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 12, 2019

SUMMARY: At its June meeting, the Board of Regents approved a “Statement of Values and Expectations on Collaboration and Cooperative Efforts.” The Statement can be viewed online at <https://www.usmd.edu/usm/adminfinance/>.

Included in the Statement is a requirement for each institution to prepare and submit a status report of institutional efforts to develop long-term plans in terms of these initiatives and efforts. The institutional reports are expected to contain (i) a high level description of the most critical priorities or initiatives currently underway; (ii) current plans for accomplishing those initiatives including a roadmap to achieve those critical priorities; and (iii) each institution’s status on collaboration planning. This last part would cover any and all activities that an institution is engaged in toward achieving the Board’s goal of enhanced collaboration across the System.

To facilitate this reporting, the USM Office created and vetted a template for the End of Year Report on Planning Activities, to be completed by each USM institution. A copy of the template is provided as an attachment, together with a timeline of critical dates related to the completion and review of the individual reports as well as a consolidated overview. The final report will be presented to the Board at its December 20th meeting.

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

Report Template:

University System of Maryland
December, 2019
Report on Planning Efforts Relative to
Board of Regents Statement of Values and Expectations
On Collaboration and Cooperative Efforts

Draft Template

Top Priorities and Initiatives at Your Institution:

- *List all the most critical institutional initiatives, goals/objectives and/or existing risks that impact moving forward with the collaboration efforts called for by the BOR and what the impact is (e.g., timing, budgetary, staff resources)*
1. Example: Increase enrollment 2% yearly for next 5 years
 2. Example: Implementation of strategic sourcing discipline
 3. _____
 4. _____
 5. _____
 6. _____
 7. _____

Current Plans for Institutional Priorities and Initiatives:

- *Describe your current institutional plan or roadmap for addressing the priorities and initiatives listed above.*

Collaboration Planning Status

- *In the appropriate numbered category below, discuss planning activities to date, efforts in progress, or recently completed initiatives, relative to your institution's collaboration with other USM institutions.*

 - *For each area below and each initiative yet to be completed, list:*
 - o Status of Collaboration Planning Efforts
 - o Discussions on Potential Institutional Collaborations
 - o Extent of Partnerships to Date
 - o Blockers to Finalizing Partnerships
 - o Other Planned Areas of Exploration of Collaboration
1. Common Technology Implementation and Change Management
 2. Common Technology Contracting/Negotiation Strategy
 3. Business Process Improvement
 4. Data Strategy

Critical dates:

2019

- November 1 – Institutional update reports due to USM Office
- November 18 – Institutional reports and consolidated BOR report returned to all Presidents, VPs and CIOs for review.
- November 21 – Feedback on consolidated report due to USM Office
- November 22 – Final draft report sent to Chancellor for review
- November 26 – Draft report sent to BOR Finance Committee chair for review
- December 2 – Discuss report with Council of University System Presidents
- December 3 – E&E 2.0 Workgroup members discuss report
- December 5 – Report sent to Finance Committee for review
- December 12 – Finance Committee discusses report
- December 13 – Send report to full Board for review
- December 20 – Full Board discussion and approval of report

2020

- February 1 – Long-Term Plan Template and Schedule provided to Institutions by USM
- February-April – USM supports institutional needs in report creation
- May 1 – University Presidents Submit Long-Term Plan For Business Process Improvement to USM Vice Chancellor for Administration and Finance
- May 20 – E&E 2.0 Workgroup Meeting
 - Summary Overview of Long-Term Plans presented by USM Office staff
 - Institutional personnel give brief presentations of campus Long-Term Plans (tentative)
- June 4 – Finance Committee: Information item regarding Long-Term Plans
- June 19 – Board of Regents Meeting: Information item regarding Long-Term Plans

Ongoing – Each June, USM will coordinate annual updates against Institutional Plans to present to the BOR