Senator Kelly called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:15 a.m. Regent Gossett moved and Regent Pettit seconded to convene in closed session. At 10:15 a.m., the Committee voted unanimously to go into closed session under State Government Article Section 10-508(a) to discuss and take action on a competitively bid contract prior to its award; to discuss and take action on an institutional real property transaction; to discuss a separate institutional real estate transaction; and to discuss an administrative strategic planning matter. Those Regents in attendance included: Mr. Kendall, Mr. Attman, Ms. Elfreth, Dr. Florestano, Mr. Gossett, Mr. Nevins, and Mr. Pettit. Mr. Johnson, Mr. McMillen and Mr. Shea participated by phone. The latter two later joined the meeting in person. The session adjourned at 11:00 a.m.

Senator Kelly reconvened the public session at 11:10 a.m. Also present were: Mr. Vivona, Mr. Travieso, Dr. Hrabowski, Ms. Doyle, Mr. Sheehan, Ms. Schaefer, Ms. Byington, Dr. Holden, Ms. Kropp, Ms. Dove, Mr. Lockett, Ms. Cook, Mr. Short, Mr. Page, Ms. Denson, Mr. Sansbury, Mr. Beck, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

Senator Kelly welcomed everyone in attendance.

Prior to his presentation, Mr. Vivona shared the good news that the USM had successfully completed the sale of $120 million in USM Auxiliary Facility and Tuition Revenue Bonds the previous day. The sale was made up of two distinct series and was preceded by very high ratings from the three leading bond rating agencies. The two series, 2010 Series A Tax-Exempt Bonds and 2010 Series B Taxable Build America Bonds, were issued to fund new construction projects. The True Interest Cost to the USM was 3.157%—the lowest in USM history. Senator Kelly offered his congratulations to Mr. Vivona and his team, noting that was tremendous news.

1. **USM Enrollment Projections: 2010-2019** (action)

   Mr. Vivona presented the enrollment projections for the 10-year period beginning with fall 2010. He noted that the overall projections serve much more as a baseline projection which is subject to change. The one-year change of 0.5% headcount enrollment represents a very modest change due to resource constraints. While we are about a year beyond the echo boom peak, demand still remains high for USM programs. In a bad
economy, retention stays high, people return to school for graduate work, and community college students seek to transfer.

Looking at individual institutions, UMCP is implementing its strategic plan where they will reduce enrollment on the campus. There is no or minimum growth at six campuses and moderate growth projected at Frostburg, UB, UMBC, and UMUC. The two regional centers, Universities at Shady Grove and USM Hagerstown, are projected to grow by 8.1% and 1.7% respectively next year. Enrollment will continue to increase at Shady Grove in the upcoming years. The growth at USMH is likely constrained by the unwillingness of institutions to invest in off-site programs without any enrollment funding. The demand is present in these areas.

Looking ahead to 2019, the key driver of headcount enrollment growth will be UMUC, planning to add 17,000 students by 2019. Towson is second with plans to add 4,200 students. Overall, incoming transfer students will grow to outnumber first-time freshmen 2:1. Importantly, there must be a financial base for quality growth. One essential aspect would be the return of state funding for the Board’s Enrollment Funding Initiative.

**The Finance Committee recommended that the Board of Regents approve the enrollment projections as submitted.**

(Regent Elfreth moved recommendation, Regent Attman seconded, unanimously approved)

2. **University of Maryland, Baltimore County: Facilities Master Plan Update 2009-2019**  
   (presentation and discussion)

With the help of augmented reality—the combination of live video and computer graphics in real time—and a very creative and talented student, President Hrabowski gave an overview presentation on the update to the facilities master plan.

The planning process engaged over 120 participants. Campus and external community forums were held. The steering committee actively engaged a stakeholders group and the space planning group. Planning principles included: moving forward; community/campus life; sustainability; and campus setting.

Six collaboratively-derived goals served to guide UMBC in the development of its Plan.

- Create a **physical environment** that enhances the learning, working and living experience of campus users.
- Establish **land use strategies** to support future programs and facilities needs. Land use zones include student life; academic; residential; athletics; outreach; and the natural area land use zone.
- Organize and plan for **exterior spaces**.
- Support teaching, research, student life and outreach programs with **adequate facilities**.
Reduce the physical and environmental impact of vehicular circulation and parking on campus.

Be good stewards of the earth and its natural resources.

A space model, containing over 12,000 factors and variables, was developed to assess the current and future space needs of the campus; understand how changes in programs and growth projections impact space needs; guide long-range planning; and ensure that the projections are driven by programmatic needs.

The plan identified important areas of expansion for UMBC, including two additional academic buildings to address the current and future deficits for classroom, laboratory, and office space as well as research facilities. The Interdisciplinary Life Sciences Building project will provide a central resource for all of the campus’ research and academic programs and support research growth. UMBC is currently limited in how much research can be brought in due to the limited research space. A Multi-disciplinary Academic Building of 148,000 gsf is proposed to be built adjacent to the Physics Building. A proposed Student Services/Life Building will reinforce the student centered core of the campus and consolidate scattered services. The Patapsco Hall addition will add beds to support renovations of apartments. Finally, the UMBC Events Center will allow UMBC to host commencement, convocation, athletic games, and community events on campus.

Equally important is the creation of new quadrangles, plazas, and other open spaces. Campus traffic safety and circulation improvements are envisioned. The proposed campus entry project will create a safe intersection for both pedestrians and drivers, while providing direct access to visitor parking. Creating a front door for the University will also be an important outcome of the project.

President Hrabowski also touched on several points of pride for UMBC. U.S. News and World Report ranked UMBC as its #1 “up and coming” national university. Behind Dartmouth, Princeton, and Yale universities, UMBC ranks #4 in undergraduate teaching—ahead of Stanford and Brown. UMBC is also one of the 50 public institutions in the United States recognized by The Princeton Review for offering a combination of educational excellence and affordability.

Senator Kelly thanked Dr. Hrabowski for his presentation.

(A copy of the slide presentation is on file with the official copy of the meeting minutes in the Office of the Chancellor.)

The 2009-2019 Facilities Master Plan for UMBC will be on the June 15 agenda for consideration of approval by the Finance Committee.

University of Maryland Eastern Shore: Facilities Master Plan (action)

Mr. Vivona reminded everyone that President Thompson gave a brief overview presentation on the update to the facilities master plan at the January meeting. The Plan
Update supports the University mission and strategic plan, and reflects the University’s commitment to climate change mitigation through climate neutrality and campus-wide sustainability. This is the second step in the process for approval of the Plan.

Chairman Kelly asked for any further questions regarding the plan.

**The Finance Committee recommended that the Board of Regents approve the University of Maryland Eastern Shore Facilities Master Plan Update and materials as presented in January. Approval of the Plan does not imply approval of capital projects or funding. These items will be reviewed through the normal procedures of the capital and operating budget processes.**

(Regent Elfreth moved recommendation, Regent Attman seconded, unanimously approved)

4. **Salisbury University: Increase Authorization for Renovation of Noland Property (action)**

Mr. Vivona explained that Salisbury was seeking approval to increase the authorization for the renovation of the property from $1.8 million to $2.93 million. The property was purchased for the purpose of relocating the plant operations from the main campus as part of the redevelopment of that area. After the initial planning, it was learned that there were unforeseen costs for electrical, water, HVAC, and extensive fire walls to ensure the facility meets all applicable codes. Mr. Shea noted that it seemed to be a rather large increase. Mr. Vivona, concurred, but noted that at the time the project was placed in the system-funded budget request, a comprehensive code review had not been performed and that all of the work was indeed necessary. Dr. Florestano inquired about the source of funds. Salisbury had set aside money in the plant fund to pay for the project.

**The Finance Committee recommended that the Board of Regents approve for Salisbury University, an increased authorization totaling $2.93 million for renovation of the Noland property located on South Division St., Salisbury Maryland.**

(Regent Attman moved recommendation, Dr. Florestano seconded, unanimously approved)

5. **University of Maryland, Baltimore: Dental Student Clinics Management Contract (action)**

Mr. Vivona noted that this is an annual contract that is presented to the Board at this time each year. This item involves the exercising of the fifth of five one-year renewal options with the Dental Service Plan Associates. The item is before the committee because the contract value exceeds $5 million. Regent Nevins remarked that it is a great program.
The Finance Committee recommended that the Board of Regents approve the request for contract renewal with U.M. FDSP Associates, P.A. as described in the agenda item.
(Regent Gossett moved recommendation, Regent Pettit seconded, unanimously approved)

   (information)

   This report is provided annually to the committee. Mr. Vivona reported that there was nothing out of the ordinary. With no further discussion, the report was accepted for information purposes.

With no further business, the meeting was adjourned at noon.

Respectfully submitted,

Senator Frank X. Kelly
Chairman, Committee on Finance
Senator Kelly called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:15 a.m. Regent Gossett moved and Regent Pettit seconded to convene in closed session. At 10:15 a.m., the Committee voted unanimously to go into closed session under State Government Article Section 10-508(a).

Those Regents in attendance included: Mr. Kendall, Mr. Attman, Ms. Elfreth, Dr. Florestano, Mr. Gossett, Mr. Nevins, and Mr. Pettit. Mr. Johnson, Mr. McMillen and Mr. Shea participated by phone. Also present were: Mr. Vivona, Ms. Doyle, Mr. Travieso, Ms. Denson, Mr. Page, Mr. Salt, Mr. Sansbury, Mr. Short, and Ms. McMann.

The committee considered two action items on its agenda. First, the committee discussed and took action on a competitively bid contract, exceeding $5 million, prior to its award. Second, the committee discussed and took action on an institutional real property transaction in Southern Maryland. Both items were recommended for approval by the Board. Next, the committee discussed an institutional real estate transaction in Harford County. Lastly, the committee discussed an administrative strategic planning matter.

The session was adjourned at 11:00 a.m.

Respectfully submitted,

Senator Frank X. Kelly
Chairman, Committee on Finance