



**BOARD OF REGENTS  
COMMITTEE ON FINANCE**  
Minutes of the Public Session  
March 17, 2011  
Towson University

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Regent Gossett called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:05 a.m. Regent Gooden moved and Senator Kelly seconded to convene in closed session. At 10:06 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 several institutional real property transactions; to discuss a separate institutional real estate transaction; and discuss strategic budget matters. The session adjourned at 10:36 a.m.

Regent Gossett reconvened the public session at 11:00 a.m. Those Regents in attendance included: Mr. Kendall, Mr. Attman, Dr. Florestano, and Ms. Gooden. Senator Kelly, Mr. Shea, and Mr. McMillen participated by telephone. Also present were: Chancellor Kirwan, Mr. Vivona, Dr. Bogomolny, Mr. Brockenbrough, Ms. Byington, Ms. Doyle, Dr. Holden, Ms. Crockett, Ms. Kropp, Mr. Rose, Ms. Schaefer, Mr. Schuckel, Mr. Sheehan, Mr. Shoenberger, Mr. Farley, Mr. Siemer, Mr. Lockett, Ms. Rolandelli, Mr. Trujillo, Mr. Cassard, Mr. Page, Mr. Salt, Mr. Beck, Ms. West, Mr. Lurie, Ms. Goedert, Ms. McMann, and other members of the USM community and the public.

1. USM Enrollment Projections: 2011-2020 (action)

Mr. Vivona presented the enrollment projections for the 10-year period beginning with fall 2011. He noted that there had been a change made to the projections in the last few days with UMCP increasing its undergraduate enrollment figures. With a new president and interim provost at the helm, the institution is restoring a growth profile. Mr. Vivona remarked that the projections should be considered a work in progress. The new strategic plan calls for an increase in admits and improved performance via student retention in an effort to meet the college attainment goal of 55%. Impacts will be felt in the areas of capital planning, student support needs, and the development of the operating budget. He noted that institutions continue to be wary about increasing enrollment without associated and necessary funding.

One graph displayed the statewide college completion gap. Continuing along the path the State currently is on will result in a 48% degree attainment, representing a shortfall of 62,000 degrees over a ten-year period for all of Maryland higher education.

Looking at individual institutions for the one-year period, there is no growth or a reduction planned at Towson and UMCP. There is minimal growth at five campuses and moderate growth projected at Coppin, UB, UMES, and UMUC. The two regional centers, Universities at Shady Grove and USM Hagerstown, are projected to grow by 0.1% and 2.0% respectively next year.

Challenges for the institutions include changing institutional directions at four campuses, developing programs at Regional Centers, closing the achievement gap, and serving more transfer students. By the end of the ten-year period, for every first-time freshman enrolled, the USM will be taking in two-plus transfer students.

Mr. Vivona explained that a key challenge for the System is building a financial base for quality growth. The HEIF money has been supporting the base budget, but it will be critical to re-focus those funds, in combination with monies from video lottery terminals and enrollment funding, on new students coming into the System if quality is to be maintained.

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

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

2. University of Baltimore: Facilities Master Plan Update (presentation and discussion)

President Bogomolny gave an overview presentation on the update to the facilities master plan. He began by noting that with a location in the city, the master plan for UB would always be changing. He described the school not as an island, but rather an anchor.

While the previous master plan contemplated the possible expansion of the University to include first and second year students, the plan update captures the implementation of the Freshman/Sophomore Program. In the process, the campus has become primarily a day school, complete with resident freshmen. Working creatively with the private sector, the Fitzgerald at UB Midtown, a \$77 million public-private partnership, opened last fall. This apartment complex, complete with on-site parking and a Barnes and Noble bookstore, occupies a former parking lot adjacent to the light rail. A second student housing development, to be constructed by a private developer, is slated to open in fall 2012. Construction has begun on the Angelos Law Center, with green roofs and terraces, which is expected to gain at least a LEED Gold standard and could perhaps reach LEED Platinum.

UB is creating a 21<sup>st</sup> century university. It is fully committed to providing innovative and quality higher education. With the strategic plan calling for enrollment growth in response to State and workforce needs, UB headcount enrollment is projected to reach 8,000 during the timeframe of the master plan update, if not sooner.

With this transformation has come an urgency to address several pressing facility needs, including the renovation of the old Law Center for Langsdale Library, construction of a student campus recreation facility and the renovation of the student center for student services. In addition, the acquisition of the U.S. Postal Services site serving as a vehicle maintenance facility offers the University an opportunity for expansion of the campus. An assessment of the University's current and projected needs results in a deficit of in excess of 100,000 square feet.

Regent Gossett thanked Dr. Bogomolny for his presentation.

**The UB Facilities Master Plan will be on the June 14 agenda for consideration of approval by the Finance Committee.**

3. Self-Support Charges and Fees for FY 2012 (action)

Vice Chancellor Vivona explained that the process for approving tuition and student fees occurs in two separate stages. This schedule is not about tuition or mandatory fees. The item presented at this time includes only those non-mandatory charges which are not part of the state budget. The fees do not involve any state dollars as the fee is the revenue source.

Vice Chancellor Vivona indicated that the vice presidents of the institutions were present in the audience if anyone had campus-specific questions. Regent Florestano asked why UMB rental charges were on a daily basis. Ms. Byington responded that due to the nature of the academic programs, many of the University's students began at various times of the month throughout the year. She noted that the students still sign a contract for their complete academic year.

**The Finance Committee recommended that the Board of Regents approve the proposed self-support charges and fees for FY 2012 as set forth in the attachment.**

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

4. Biennial Nonexempt Market Salary Survey Report – Nonexempt Staff Employees Salary Structure (action)

Vice Chancellor Vivona summarized the item. He noted that every two years the USM surveys the market to determine whether the salaries are competitive or not. This covers all nonexempt employees, contingent or regular employees, in jobs such as food service and labor and trades. Many of the nonexempt staff are represented by collective bargaining. The system is designed to be a lead/lag system. As such, the USM often finds itself with a recommendation to adjust up to the market. In this round, the full implementation cost, including contingent staff, would have been in the neighborhood of \$3.3 million. Mr. Vivona noted that clearly the budget situation with frozen salaries has impacted how the USM compares in the data. Also there is the issue of compression. He noted that the current budget includes a \$750 bonus for all regular employees and that there have been suggestions made to extend the retention language in the BRFA to include staff. He went on to say that ending furloughs is an important commitment.

With regard to the three options presented, Mr. Vivona noted that initially eight institutions preferred to maintain the current scale while four institutions wanted to apply the 3% increase. At this point, there has been somewhat of a shift to a 50/50 preference. For regular employees, the cost to adjust the scale by 3% is minor. However, there is a larger cost for some institutions utilizing contingent I workers, particularly those institutions that continue to run their own dining services.

Mr. Vivona explained that the item was being presented for information purposes only at the meeting, and that the Board would be provided with a recommendation at its April meeting.

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

Vice Chancellor Vivona noted that UMB seeks to award a contract to U.M. FDSP Associates for the day-to-day operations of the student dental clinics. This group has been managing the clinics since its inception over 25 years ago. The item is before the committee because the contract value exceeds \$5 million.

**The Finance Committee recommended that the Board of Regents approve for UMB the award of a one-year contract with U.M. FDSP Associates, P.A. as described in the agenda item.**

(Regent Florestano moved recommendation, Regent Gooden seconded, unanimously approved)

6. University of Maryland University College: Marketing and Advertising Contract (action)

Vice Chancellor Vivona explained that UMUC had previously awarded a contract to MGH, Inc. to provide marketing and advertising services and that UMUC was now requesting approval to amend the contract and increase its spending authority for media buys by \$30 million. The item is before the committee because the contract value exceeds \$5 million. Regent Florestano inquired if the company was a Maryland-based firm; Mr. Shoenberger indicated that MGH, Inc. is a Maryland-based firm.

**The Finance Committee recommended that the Board of Regents approve for University of Maryland University College an increase in spending authority by \$30 million for media buys only under the previously approved 5-year contract with MHG, Inc. for advertising and marketing services. The total value of media buys will increase from \$80 million to \$110 million bringing the total contract value inclusive of agency fees to \$124,073,550.**

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

7. University of Maryland University College: Renovation of the UMUC Inn & Conference Center (action)

Regent Gossett summarized the item. UMUC seeks authorization to renovate the Inn & Conference Center to include hotel upgrades, ADA requirements work, and facility renewal initiatives. Renovations will be accomplished in phases so that the ICC will not be shut down at any point.

**The Finance Committee recommended that the Board of Regents approve for the University of Maryland University College the renovation of the Inn and Conference Center, as described in the item, in the amount of \$31 million.**

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

8. Towson University: Increase in Authorization for Campus Safety and Circulation Project (action)

Mr. Vivona summarized the item. Towson is requesting approval for an increase in the budget authorization for the campus safety and circulation project, as a result of an increase in scope. Towson desires to construct a service road to the University Union, build a new access road to the General Services Building, and create a new campus gateway entrance. The University has made every effort to maximize value engineer cost savings to reduce the cost of the project. Regent Gossett asked if this project fits with the campus facilities master plan. Mr. Sheehan reported that the project was indeed a fit with the master plan.

**The Finance Committee recommended that the Board of Regents approve for Towson University an increase in funding authorization and scope for the Campus Safety and Circulation Project as described in the item, with Towson University expending \$4 million of University funds for the project.**

(Regent Florestano moved recommendation, Regent Gooden seconded, unanimously approved)

9. University System of Maryland: Review of Capital Improvement Projects (information)

Mr. Beck reported that there was nothing out of the ordinary. Regent Attman pointed out that it would be helpful to know the total number of projects, not just those awarded to Maryland firms. Also, he asked if there was any estimate of the number of construction jobs that were created as a result of the projects. Mr. Beck responded that while we did not have those figures, there is a state formula for job creation that includes the state-funded construction projects, as well as USM auxiliary projects. He added that he could pursue this matter further. Regent Attman encouraged Mr. Beck to do so.

With no further business, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Senator Frank X. Kelly  
Chairman, Committee on Finance