



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION, INFORMATION OR DISCUSSION

TOPIC: Proposed FY 2011 Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation

COMMITTEE: Finance

DATE OF MEETING: June 15, 2010

BRIEF EXPLANATION: 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.

At this time, the Board is asked to approve the contract for FY 2011 incorporating the financial information reflected in the attached schedule. The attached schedule of financial obligations compares fiscal years 2009, 2010, and 2011. There is a net increase in UMB's compensation of \$5,878,220. The change reflects increases in levels of service provided to UMMS by the Schools of Medicine, Pharmacy, and Dentistry and by the Office of Environmental Health and Safety. The majority of the increase relates to the School of Medicine, which has secured additional support for critical clinical faculty as well as support for new faculty employed by the School to support UMMS clinical initiatives.

The proposed contract text will be available for review at the meeting. There have been no material changes in the text of the contract since last year. The contract has been reviewed and approved for form and legal sufficiency by the Office of the Attorney General.

ALTERNATIVE(S): A contract incorporating the information in the attached schedule is recommended by the President of UMB, the Dean of the Medical School, the President of UMMS and the Chancellor. In accordance with the law, the Committee could postpone action and recommend that the Regents and Directors appoint a joint committee to review the proposed contracts. This is not recommended, as UMB and UMMS have agreed upon the terms.

FISCAL IMPACT: The fiscal impacts of the contracts are as specified in the attached schedule. The contracts result in net fund transfers from UMMS to UMB of \$81,984,003 in FY 2011.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents authorize the Acting President of UMB to execute the contract.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

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

FY 2009, FY 2010, and FY 2011 UMMS ANNUAL CONTRACTS

<u>Payments to UMB</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
Administrative Services	\$1,156,305	\$1,271,423	\$1,276,705
Faculty Services:			
School of Medicine (Including Trauma)	70,565,383	75,127,879	80,967,247*
School of Pharmacy	459,089	459,089	466,588
School of Dentistry	<u>404,696</u>	<u>404,696</u>	<u>430,767</u>
 <u>Payments to UMMS</u>			
Administrative Services	(158,477)		
Space Charges	<u>(1,157,304)</u>	<u>(1,157,304)</u>	<u>(1,157,304)</u>
 NET TO UMB	\$71,269,692	\$76,105,783	\$81,984,003

5/4/2010

* For Fiscal Year 2011, \$21,054,362 of this School of Medicine support is designated as seed support. Continuation of that seed support in FY2012 and later years is subject to annual negotiation. Also, the sum does not include funds UMMS expects to provide to support salaries as physicians are recruited to new positions during the fiscal year.