



**BOARD OF REGENTS
COMMITTEE ON FINANCE**

Minutes of the Public Session
March 29, 2012
Towson University

Regent Attman called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:02 a.m. Regent Attman moved and Regent Gooden seconded to convene in closed session. At 10:02 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 institutional real property transactions, contracts that had not yet been awarded, and discuss administrative matters. The session adjourned at 11:30 a.m.

The Committee reconvened in public session at 11:40 a.m. Those Regents participating included: Senator Kelly, Dr. Florestano, Mr. Attman, Ms. Gooden, Mr. Gossett, Mr. Kinkopf, Mr. McMillen, and Mr. Wojciechowski. Also present were: Dr. Kirwan, Mr. Vivona, Ms. Doyle, Ms. Moultrie, Mr. Behm, Mr. Specter, Ms. Kropp, Dr. Patel, Ms. Schaefer, Mr. Selser, Mr. Rose, Mr. Short, Ms. Voith, Mr. Salt, Ms. West, Ms. Ritz, Ms. Goedert, Ms. McMann, and other members of the USM community and the public.

1. USM Enrollment Projections: 2012-2021 (presentation and discussion)

Dr. Passmore presented the enrollment projections for the 10-year period beginning with fall 2012. The new strategic plan calls for an increased input, namely admitted students, 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. The USM projections inform the MHEC statewide enrollment projection process.

Projected overall enrollment growth is 20% over 10 years, but the trendline is for slower growth and reaches a desired level later than in either the Strategic Plan or last year's approved projections. Growth strategies vary at different institutions—some plan to grow mostly through improving retention rates and thus increasing productivity while others are growing by adding transfer and freshmen students. Current institutional projections show that 10,000 fewer degrees than the Strategic Plan calls for will be earned by 2025. Planned Graduate growth in particular has been curtailed and this may negatively impact our ability to achieve the right degree mix for economic growth. The lack of enrollment funding remains of concern to the institutions.

Looking at individual institutions for the one-year period, there is a reduction planned at UMB. There is no or minimal growth at six 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 5.5% and 2.4% respectively next year.

Challenges for the institutions include closing the achievement gap, improving retention, serving more transfer students, developing programs at Regional Centers, and strategic degree production—many of the needed degrees are costly to produce.

The projections by the USM institutions assume that funding will become available in the years ahead. If it does not, then the current projection may prove to be too optimistic and growth figures would be further reduced. Most of the enrollment must be in place by 2015 to attain the college attainment goals.

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

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

(Senator Kelly moved recommendation, Regent Attman seconded, unanimously approved)

2. Self-Support Charges and Fees for FY 2013 (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. He pointed out that Salisbury University was in the 3rd year of a 3-year comprehensive plan to renovate its dormitories and its rate increases were reflective of this phased plan. Vice Chancellor Vivona explained that the budget office screens the campus submissions and seeks justifications; internal to the campus they are to discuss rate changes with the students. Regent Wojciechowski asked further about the student input. Mr. Selser, of Salisbury University, offered that he meets first with the SGA Executive Board, and then the full SGA in a forum. He indicated that the residence hall renovation plan was built from SGA survey data. To date, \$46 million has been expended on the renovation project. Regent Wojciechowski thanked him for his response.

The Finance Committee recommended that the Board of Regents approve the proposed self-support charges and fees for FY 2013 as set forth in the attachment.

(Senator Kelly moved recommendation, Regent Florestano seconded, unanimously approved)

3. Biennial Exempt Market Salary Survey Report – Exempt 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 exempt employees, contingent or regular employees. In the alternating years, the nonexempt market is surveyed. 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 implementation cost for an overall salary structure adjustment of 15% will be \$658,000. The salaries of those staff that fall below the new minimums of the salary scale will be increased up to the new minimums of each range.

The Finance Committee recommended that the Board of Regents approve Option 1 to adjust the USM Exempt Staff Salary Structures, effective July 1, 2012.

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

4. University of Maryland, College Park: Facilities Master Plan 2011-2030 (action)

Vice Chancellor Vivona reminded everyone that President Loh gave an overview presentation on the facilities master plan at the January meeting of the committee. He added that this is the second of a two-step process.

The Finance Committee recommended that the Board of Regents approve the University of Maryland, College Park Facilities Master Plan as presented to the Finance Committee at its meeting held January 26. 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 Attman moved recommendation, Regent Florestano seconded, unanimously approved)

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

Vice Chancellor Vivona stated that UMB seeks to award the first option of 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 payment is on a cost basis and not to turn a profit. 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 request for contract renewal with U.M. FDSP Associates, P.A. as described in the item.

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

6. Towson University: Increase in Authorization for the Towson Center Arena Project (action)

Vice Chancellor Vivona explained that Towson is seeking a \$5 million increase in authorization for the Towson Center Arena project. The scope of the proposed work is HVAC and other renovations to the basement of the Towson Center. Vice Chancellor Vivona reminded the committee that this is the project where the addition, originally planned for the east side of the current building was moved to the west side location in response to community concerns.

The Finance Committee recommended that the Board of Regents approve for Towson University an increase of \$5 million to the previously authorized \$68 million for a total of \$73 million for the Towson Center Arena Project.

(Regent Wojciechowski moved recommendation, Regent Gossett seconded, unanimously approved)

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

There were no questions or comments on this item.

With no further business, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Senator Frank X. Kelly
Chairman, Committee on Finance