

TOPIC: University System of Maryland: Waiver of Certain Residency Requirements for Relocating Employees of a new Second Headquarters of Amazon.com, Inc.

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: October 3, 2017

SUMMARY: Amazon.com, Inc. has announced its intention to establish a second headquarters (Amazon HQ2). A decision to locate in the State of Maryland would result in a significant gain of new jobs in Maryland and the likelihood for increased education partnerships. The establishment of Amazon HQ2 in the State would result in a number of positions transferred from other states to Maryland and new employees recruited for positions in Maryland.

The Board of Regents may waive certain requirements of the USM Policy on Student Classification for Admission and Tuition Purposes (VIII-2.70) to allow for a smooth transition of the employees and their families to Maryland. Such a waiver would apply to the twelve-month period required to meet the residency criteria set forth in the referenced Policy for employees of Amazon.com, Inc. whose positions are transferred from other states to Maryland and new employees who are recruited to the State. This waiver shall also apply to the spouses and dependent children of the affected employees.

ALTERNATIVE(S): The Committee could require that the affected employees relocating to Maryland meet the residency requirements through the normal processes set forth in USM Policy on Student Classification for Admissions and Tuition Purposes.

FISCAL IMPACT: Since tuition rates vary by institution, the impact will depend on the number of enrollees and selection of institution.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the attached resolution granting a waiver of the twelve-month residency requirement for Amazon.com, Inc. employees who move to Maryland should the company establish a second headquarters in the State. The resolution shall expire five years from the date of the establishment of a second Amazon.com, Inc. headquarters in Maryland.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

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

Resolution

Whereas, the economic development of the State is in significant part dependent upon the State's ability to attract new employers; and

Whereas, the potential for a decision by Amazon.com, Inc. to establish their second headquarters (Amazon HQ2) in Maryland; and

Whereas, the decision would result in a significant gain of new jobs in Maryland and the potential for increased education partnerships; and

Whereas it is important to the mission of Amazon to also attract and retain highly qualified employees; and

Whereas, it is the view of the Board of Regents that a waiver of certain requirements of the USM Policy on Student Classification for Admission and Tuition Purposes would provide an incentive to attract a highly qualified workforce;

Now, therefore, Be It Resolved by the Board of Regents of the University System of Maryland that should Amazon decide to locate its second headquarters in Maryland:

(1) The twelve-month period required to meet the residency criteria set forth in the USM Policy on Student Classification for Admission and Tuition Purposes shall be waived in the case of employees of Amazon.com, Inc. whose positions are transferred from other States to Maryland, and new employees who are recruited for positions in Maryland. This waiver shall also apply to the spouses and dependent children of the affected employees; and

(2) In lieu of documentation of the criteria set forth in the policy, USM institutions shall require such employees to submit adequate documentation of the transfer or employment, and proof of a Maryland residence, verifying their eligibility for this waiver; and

(3) This waiver shall not affect any other provision of the USM Policy on Student Classification for Admission and Tuition Purposes; and

(4) This Resolution shall expire five years from the date of the establishment of a second Amazon.com, Inc. headquarters in Maryland.

Approved by the USM Board of Regents on _____.