



USM Board of Regents  
Committee on Organization and Compensation  
September 11, 2018  
Chancellor's Conference Room, Elkins Building

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**AGENDA FOR OPEN SESSION**

**Approximately 9:00 a.m.**

**Call to Order**

**Regent Gooden**

1. [Convene to Close Session \(action\)\\*](#)
2. [Training Sessions with Sibson \(information\)](#)
  - a. Succession Planning
  - b. Incentive Pay
3. [Status of Work Plan on Executive Compensation and Governance \(information\)](#)

*\*Please note: the first action item occurs at 8:30 a.m. prior to the start of the closed session.*



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Convening Closed Session

**COMMITTEE:** Organization and Compensation

**DATE OF MEETING:** September 11, 2018

**SUMMARY:** The Open Meetings Act permits public bodies to close their meetings to the public in special circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Board of Regents will now vote to reconvene in closed session. As required by law, the vote on the closing of the session will be recorded. A written statement of the reason(s) for closing the meeting, including a citation of the authority under §3-305 and a listing of the topics to be discussed, is available for public review.

It is possible that an issue could arise during a closed session that the Committee determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Committee would reconvene in open session to discuss the open session topic or to vote to reconvene in closed session to discuss the additional closed session topic.

**ALTERNATIVE(S):** No alternative is suggested.

**FISCAL IMPACT:** There is no fiscal impact

**CHANCELLOR'S RECOMMENDATION:** The Chancellor recommends that the BOR Committee on Organization and Compensation vote to reconvene in closed session.

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COMMITTEE ACTION: DATE: September 11, 2018

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BOARD ACTION: DATE:

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SUBMITTED BY: Denise Wilkerson, [dwilkerson@usmd.edu](mailto:dwilkerson@usmd.edu), 301-445-1906 or 410-576-5734

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STATEMENT REGARDING CLOSING A MEETING  
OF THE USM BOARD OF REGENTS  
ORGANIZATION AND COMPENSATION COMMITTEE

Date: September 11, 2018  
Time: 8:30 a.m.  
Location: Chancellor's Conference Room  
Elkins Building, Adelphi

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STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
  - [X] (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
  - [X] (ii) Any other personnel matter that affects one or more specific individuals.
- (2) [ ] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) [ ] To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) [ ] To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) [ ] To consider the investment of public funds.
- (6) [ ] To consider the marketing of public securities.
- (7) [ ] To consult with counsel to obtain legal advice on a legal matter.
- (8) [ ] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [X] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) [ ] To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
  - (i) the deployment of fire and police services and staff; and
  - (ii) the development and implementation of emergency plans.
- (11) [ ] To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12) [ ] To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) [ ] To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) [ ] Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- [ ] Administrative Matters

TOPICS TO BE DISCUSSED:

1. Update on collective bargaining negotiations at SU.
2. Ratification of collective bargaining MOU at BSU.
3. Update on status of collective bargaining at USM institutions.
4. Information update regarding athletics contracts at UMES, TU, and UMCP subject to review under BOR VII-10.0 Policy on Board of Regents Review of Certain Contracts and Employment Agreements.
5. Review of appointment letter for institutional president.

REASON FOR CLOSING:

1. To maintain confidentiality regarding collective bargaining negotiations (§3-305(b)(9)).
2. To maintain confidentiality of discussion regarding individual employment agreements (§3-305(b)(1)).



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Sibson Consulting Report on Executive Compensation and Governance

**COMMITTEE:** Organization and Compensation

**DATE OF MEETING:** September 11, 2018

**SUMMARY:** As part of the Executive Compensation and Governance Report from, Sibson Consulting recommended education sessions for the Organization and Compensation Committee and the Board of Regents.

Sibson will be conducting trainings on succession planning and incentive pay at this meeting, as requested by the Committee.

**ALTERNATIVE(S):** This is an information item.

**FISCAL IMPACT:** No direct fiscal impact at this time.

**CHANCELLOR'S RECOMMENDATION:** This is an information item.

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COMMITTEE ACTION: DATE: September 11, 2018

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BOARD ACTION: DATE:

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SUBMITTED BY: Denise Wilkerson; [dwickerson@usmd.edu](mailto:dwickerson@usmd.edu); 301-445-1906 or 410-576-5734

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**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Status of Work Plan on Executive Compensation and Governance

**COMMITTEE:** Organization and Compensation

**DATE OF MEETING:** September 11, 2018

**SUMMARY:** The attached spreadsheet provides a status report of the work plan developed to address the recommendations of the Report on Executive Compensation and Governance from Sibson.

The committee will discuss outstanding items and reprioritize the remaining actions, if needed.

**ALTERNATIVE(S):** The Committee could choose not to discuss the topic.

**FISCAL IMPACT:** Components of the work plan may require external expertise; however, it is anticipated that the fiscal impact will be minimal.

**CHANCELLOR'S RECOMMENDATION:** The Chancellor recommends that the Committee discuss the status report and suggest any necessary edits.

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COMMITTEE ACTION: Information item only.

DATE: September 11, 2018

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BOARD ACTION:

DATE:

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SUBMITTED BY: Denise Wilkerson, [dwilkerson@usmd.edu](mailto:dwilkerson@usmd.edu), 301-445-1906 or 410-576-5734

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Executive Compensation and Governance Study Work Plan				
Objectives	Status	Target Completion Date	Responsible Staff	Comments
<b>Develop a compensation philosophy</b>				
Outline the goals and desired objectives of the executive compensation program, compensation elements, peer group, desired pay positioning, etc.	Completed	Completed 9.15.17	Chancellor's Office	
<b>Enhance governance tools and processes</b>				
Expand and formalize the charter for the Organization and Compensation Committee	Completed	Completed 12.15.17	Chancellor's Office	
Create tally sheets for the Chancellor and presidents to provide year-over-year detailed compensation to regents in a consistent format	Completed	Complete	Chancellor's Office	
Develop an annual calendar of key actions required in performance assessment and compensation administration	Completed	Completed 12.15.17	Chancellor's Office	
Conduct education sessions for the Organization and Compensation Committee and/or the BOR on current topics in executive compensation and governance	In progress	Sibson presenting first sessions at September 11, 2018 meeting	Outside Assistance	
<b>Streamline goal setting and evaluation approach</b>				
Develop a standard template and process for annual goal development and performance evaluation to allow for a simpler, quicker assessment that also balances the Chancellor and presidents' needs for personalization with System's need for greater consistency. The template should be automated, if practicable, and may incorporate scorecard/longitudinal metrics currently used at the System and longer-term strategic planning measurement.	Completed	Draft approved at 4.20.18 BOR meeting	Chancellor's Office	
Review the current guidelines for five-year presidential reviews and recent five-year review reports and determine needed improvements in the process, if any. The guidelines should be updated to reflect agreed upon changes.	In progress - agreed to change to three-year review instead of five	Fall 2018	Chancellor's Office	Discussed at Org and Comp meeting on 3.29.18
<b>Conduct periodic total remuneration reviews</b>				
Supplement annual base salary reviews of recently developed peer groups with total remuneration assessments every 3 to 5 years to ensure continued market competitiveness of the full compensation package. Components include the aging of data, update of data from peers and reassessment of peers.	Ongoing	Ongoing	Chancellor's Office	Administration and Finance aging data
<b>Explore the use of incentives and/or deferred compensation vehicles</b>				
The use of incentive pay has been increasing across higher education and is expected to continue. Sibson Consulting estimates that currently about 20-30% of institutions provide incentives to executives, however, they are more prevalent in private institutions than public institutions.	In progress	Sibson providing session on incentive pay at September 11, 2018 meeting	Outside Assistance	
<b>Review process and guidelines for chancellor and presidential searches and create a succession planning process across the system</b>				
Review current process, outcomes and guidelines for chancellor and presidential searches and determine needed improvements in the process, if any. The guidelines should be updated to reflect agreed upon changes.	In progress	Summer 2019	Chancellor's Office	Discussed at Org and Comp meeting on 3.29.18 - will continue discussions
Develop a succession planning process to help retain high performing incumbents who demonstrate top executive potential and help alleviate the future expected competition over scarce resources.	In progress	Sibson providing session on succession planning at September 11, 2018 meeting	Outside Assistance	