AGENDA FOR PUBLIC SESSION

Call to Order

Chairman Attman

1. University System of Maryland: FY 2022 Operating Budget (action)
2. FY 2022 System Funded Construction Program Request (action)
4. University System of Maryland: Official Intent Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects (action)
5. Bowie State University: Facilities Master Plan Update (action)
6. University System of Maryland: Correction to Fiscal Year 2022 Schedule of Self-Support Charges and Fees (action)
7. Proposed Amendments to USM Policy VII-8.05—Policy on Professional Conduct of Nonexempt and Exempt Staff Employees (action)
8. Proposed FY 2022 Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation (action)
9. Approval of Fund Sources for UMCP Discovery Fund and UMB Baltimore Fund under USM Policy VIII-14.00 – Policy on Investments and Loans to Maryland-based Businesses that are Affiliated with USM Institutions (action)
10. University of Maryland Global Campus: Lease Renewal for Dorsey Station Location (action)
12. Frostburg State University: Creation of University-Affiliated Business Entity (non-profit) and Approval of FSU President and Vice President’s Participation (action)
13. Proposed Amendments to USM Policy V-2.10—Policy on Reports of Intercollegiate Athletics (action)
14. Convening Closed Session (action)
TOPIC: University System of Maryland: FY 2022 Operating Budget

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: As required by USM Policy VIII-9.00 – Policy on the Operating Budget, the FY 2022 USM Operating Budget is submitted for consideration and action.

The total budget includes revenue from state appropriations, tuition and fees, auxiliary services, federal and other contract and grants, and other revenues for a total budget of $6.2 billion. It is important to point out that the operating budget also reflects the impact of one-time federal and state funding adjustments. The FY 2021-22 operating budget estimates have been revised to provide more up-to-date financial projections.

As we have discussed, the overall financial toll on USM institutions during the COVID-19 pandemic has been significant. At the July 2020 BPW meeting, the USM’s base appropriation for FY 2021 was reduced by $117 million as part of the State’s cost cutting measures related to the pandemic. In FY 2022, an additional base reduction of $16 million was levied. The FY 2022 Supplement Budget for Healthcare Professions and Public Health restored $23.5 million, still leaving a base reduction of $110 million over the two fiscal years and carrying forward.

There have also been substantial lost revenues (e.g., enrollment, tuition, room and board, athletics, other events) along with significant added costs, many of which will be on-going due to new health and safety protocols. Along with the substantial state funding reduction to the base budget that has been managed to this point with cost containment efforts, one-time federal relief funding, and the use of fund balance, the one-time funding will not be available to close the on-going structural gap created by the state revenue reduction to the institutions’ base budget.

Looking ahead to the new academic year, the FY 2022 Operating Budget portends the institutions’ plans for a near normal return to operations for the fall semester. The state-supported portion of the budget totals $3.4 billion. Included in this figure are state appropriations and Higher Education Investment Funds (HEIF) of $1.5 billion (an increase of $54.5 million or 3.8% over the adjusted base FY 2021 Appropriation), along with tuition and fees of $1.6 billion (an increase of $44 million or 3%). The USM state-supported costs are estimated to increase over $200 million due to increases in wages and fringe benefits, new facilities, reinstatement of one-time reductions, and continued public health safety measures.

The net increase of $54.5 million in base state appropriations and HEIF includes the following:

- Reduction in Base Funding, across-the-board ($16.1M)
- Annualization of the FY 2021 State Cost of Living Adjustment (COLA) $38.1M
- Healthcare Professions & Public Health Program Support $23.5M
- State Fringe Benefit increases $3.8M
- MD Strategic Partnership-Steering Council per Senate Bill 897 $2.4M
- New Facilities funding FY 2022 (UMCP, Towson, Coppin, UMES, and USMSM) $2.2M

FY 22 OPERATING BUDGET
• UMCP Judge AW Center and Hughes Center for Agro-Ecology $ 0.5M
• Frostburg Center for Regional Engagement and Econ. Development $ 0.1M

The non-state-supported portion of the budget totals $2.8 billion and reflects the financial impact related to the return to near full occupancy plans for the fall. The $2.8 billion is mainly comprised of Auxiliary Revenues of $633 million, $1.6 billion of restricted funding related to federal grants and other funds of $510,000.

ALTERNATIVE(S): The budget request could be adjusted to increase/decrease expenditures or to move expenditures from one area to another. However, a balanced budget is required, and revenue must be adjusted to match any change in overall expenditures.

FISCAL IMPACT: The USM budget totals $6.2 billion.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the FY 2022 operating budget as submitted, with the Chancellor authorized to make appropriate changes consistent with existing board policies and guidelines. Any such changes will be in consultation with and reported back to the Board.

<table>
<thead>
<tr>
<th>COMMITTEE RECOMMENDATION</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BOARD ACTION</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SUBMITTED BY: Ellen Herbst (301) 445-1923
<table>
<thead>
<tr>
<th>State</th>
<th>Current Unrestricted Funds</th>
<th>Total</th>
<th>Full Time Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriations*</td>
<td>Tuition &amp; Fees</td>
<td>Auxiliary</td>
</tr>
<tr>
<td>UMB</td>
<td>$247,751,378</td>
<td>$171,967,764</td>
<td>$30,856,252</td>
</tr>
<tr>
<td>UMCP</td>
<td>564,124,077</td>
<td>677,028,849</td>
<td>259,342,272</td>
</tr>
<tr>
<td>BSU</td>
<td>47,974,032</td>
<td>48,447,345</td>
<td>27,999,322</td>
</tr>
<tr>
<td>TU</td>
<td>138,396,191</td>
<td>190,140,913</td>
<td>137,440,337</td>
</tr>
<tr>
<td>UMES</td>
<td>45,487,454</td>
<td>22,419,761</td>
<td>16,340,080</td>
</tr>
<tr>
<td>FSU</td>
<td>43,411,609</td>
<td>34,804,289</td>
<td>19,116,353</td>
</tr>
<tr>
<td>CSU</td>
<td>46,635,106</td>
<td>13,897,985</td>
<td>10,323,295</td>
</tr>
<tr>
<td>UB</td>
<td>42,184,136</td>
<td>55,442,908</td>
<td>5,819,266</td>
</tr>
<tr>
<td>SU</td>
<td>59,537,145</td>
<td>71,370,557</td>
<td>49,145,067</td>
</tr>
<tr>
<td>UMGC</td>
<td>42,717,428</td>
<td>366,757,730</td>
<td>3,000</td>
</tr>
<tr>
<td>UMBC</td>
<td>153,369,986</td>
<td>137,188,563</td>
<td>76,283,056</td>
</tr>
<tr>
<td>UMCES</td>
<td>22,181,223</td>
<td>0</td>
<td>7,170,451</td>
</tr>
<tr>
<td>USMO</td>
<td>42,009,907</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$1,495,779,672</td>
<td>$1,789,466,664</td>
<td>$632,668,300</td>
</tr>
</tbody>
</table>

* Includes General Funds and Higher Education Investment Funds
University System of Maryland

FY 2022 State Funding for the Operating Budget

| State Funds as of 7/1/2020 | FY 2021 State Funding Pro Rata | January 2021 COLA | Health Professions-Fringe Public Health & Other Supplemental Items* | Fringe Benefit | SB897 Adjustments | New Facilities Governor’s MPower Steering Operating State Funding |
|-----------------------------|--------------------------------|------------------|------------------------------------------------------------------|---------------|-------------------|-------------------|-------------------------------------------------------------|
| UMB                         | $236,614,908                   | ($2,638,701)     | $6,847,048                                                        | $4,937,673    | $990,450          | $1,000,000        | $247,751,378                                               |
| UMCP                        | 546,851,881                    | (6,098,427)      | 16,649,618                                                        | 3,980,000     | 763,419           | 1,000,000         | 977,586                                                   | 564,124,077      |
| BSU                         | 45,642,734                     | (509,002)        | 996,380                                                          | 1,477,470     | 366,450           | -                | 47,974,032                                                |
| TU                          | 131,276,111                    | (1,463,976)      | 3,592,932                                                        | 4,153,400     | 688,408           | -                | 149,316                                                   | 138,396,191      |
| UMES                        | 43,964,816                     | (490,290)        | 939,822                                                          | 722,250       | 103,878           | -                | 246,978                                                   | 45,487,454       |
| FSU                         | 42,208,037                     | (471,814)        | 882,276                                                          | 794,000       | (100,890)         | -                | -                                                         | 43,411,609       |
| CSU                         | 45,354,995                     | (505,794)        | 696,720                                                          | 995,000       | 33,287            | -                | 60,898                                                   | 46,635,106       |
| UB                          | 41,368,934                     | (461,341)        | 1,271,108                                                        | -             | 5,435             | -                | -                                                         | 42,184,136       |
| SU                          | 57,346,149                     | (639,517)        | 1,518,968                                                        | 1,324,000     | (12,455)          | -                | -                                                         | 59,537,145       |
| UMGC                        | 42,343,950                     | (472,215)        | 643,364                                                          | -             | 202,329           | -                | -                                                         | 42,717,428       |
| UMBC                        | 145,004,178                    | (1,617,069)      | 3,225,274                                                        | 5,680,000     | 677,603           | 400,000           | -                                                         | 153,369,986      |
| UMCES                       | 22,066,489                     | (246,083)        | 341,736                                                          | -             | 19,081            | -                | 22,181,223                                               |                |
| USMO                        | 41,149,239                     | (458,891)        | 508,312                                                          | 71,000        | 22,561            | -                | 717,686                                                   | 42,009,907       |
| USM total                   | $1,441,292,421                 | ($16,073,120)    | $38,113,558                                                       | $24,134,793   | $3,759,556        | $2,400,000        | $2,152,464                                               | $1,495,779,672   |

*Detail: $54,487,251
Supplemental Budget for Healthcare Professions & Public Health $23,460,793 3.8%
UMCP Judge Alex Williams Center 350,000
UMCP Hughes Agro-ecology 130,000
FSU Center for Regional Engagement and Econ. Development 194,000

$24,134,793
### Table 3a

**SUMMARY OF EXPENDITURES**  
**UNIVERSITY SYSTEM OF MARYLAND**  
**TOTAL**

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 2020 FTE</th>
<th>FY 2021 FTE</th>
<th>FY 2022 FTE</th>
<th>FY 2022 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries &amp; Wages</strong></td>
<td>25,236.06 $3,449,417,993</td>
<td>24,964.51 $3,559,757,923</td>
<td>25,304.84 $3,595,379,338</td>
<td>340.33 $35,621,415</td>
</tr>
<tr>
<td><strong>Technical &amp; Special Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Salary Operative &amp; Maintenance</strong></td>
<td>2,003,422,598</td>
<td>2,100,946,941</td>
<td>2,353,879,621</td>
<td>252,932,680</td>
</tr>
<tr>
<td><strong>Facilities Renewal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Operating Expenses</strong></td>
<td>2,354,611,236</td>
<td>2,367,230,708</td>
<td>2,611,083,158</td>
<td>243,852,450</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>25,236.06 $5,804,029,229</td>
<td>24,964.51 $5,926,988,631</td>
<td>25,304.84 $6,206,462,496</td>
<td>279,473,865</td>
</tr>
<tr>
<td><strong>Current Unrestricted Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>$1,772,617,965</td>
<td>$1,742,824,005</td>
<td>$1,789,466,664</td>
<td>$46,642,659</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>1,414,389,070</td>
<td>1,400,249,190</td>
<td>1,411,426,255</td>
<td>11,177,065</td>
</tr>
<tr>
<td>Higher Ed Investment Fund</td>
<td>79,282,808</td>
<td>77,903,039</td>
<td>84,353,417</td>
<td>6,450,378</td>
</tr>
<tr>
<td>Sales &amp; Services of Auxiliary</td>
<td>561,967,656</td>
<td>357,927,601</td>
<td>632,668,300</td>
<td>274,740,699</td>
</tr>
<tr>
<td>Federal Grants &amp; Contracts</td>
<td>174,168,942</td>
<td>171,146,451</td>
<td>(633,170)</td>
<td>0%</td>
</tr>
<tr>
<td>CARES/ HEERFII/ ARP Federal Direct &amp; St</td>
<td>38,810,856</td>
<td>113,274,819</td>
<td>(88,935,758)</td>
<td>-79%</td>
</tr>
<tr>
<td>Other Sources</td>
<td>383,957,703</td>
<td>414,985,121</td>
<td>449,380,501</td>
<td>34,395,381</td>
</tr>
<tr>
<td>Transfer to/from Fund Balance</td>
<td>(20,252,652)</td>
<td>26,399,658</td>
<td>(50,527,723)</td>
<td>-191%</td>
</tr>
<tr>
<td>Total Unrestricted Revenue</td>
<td>$4,404,942,348</td>
<td>$4,305,343,054</td>
<td>$4,538,652,584</td>
<td>$233,309,531</td>
</tr>
<tr>
<td><strong>Current Restricted Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARES/ HEERFII/ ARP Student Aid</td>
<td>27,811,801</td>
<td>53,597,884</td>
<td>130,241,900</td>
<td>76,644,016</td>
</tr>
<tr>
<td>CARES/ HEERFII/ ARP Federal Direct &amp; St</td>
<td>8,648,293</td>
<td>72,662,277</td>
<td>112,618,827</td>
<td>39,956,550</td>
</tr>
<tr>
<td>Other Sources</td>
<td>529,327,145</td>
<td>570,376,163</td>
<td>555,443,076</td>
<td>(14,933,087)</td>
</tr>
<tr>
<td>Total Restricted Revenue</td>
<td>$1,399,086,881</td>
<td>$1,621,645,577</td>
<td>$1,667,809,912</td>
<td>$46,164,334</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$5,804,029,229</td>
<td>$5,926,988,631</td>
<td>$6,206,462,496</td>
<td>$279,473,865</td>
</tr>
</tbody>
</table>

**SUMMARY OF EXPENDITURES**

**UNIVERSITY SYSTEM OF MARYLAND**

**TOTAL**

**FY 2020**

**FY 2021**

**FY 2022**

**FY 2022 Change**

**Expenditures**

<table>
<thead>
<tr>
<th>FTE Actual</th>
<th>FTE Estimate</th>
<th>FTE Appropriation</th>
<th>FTE Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>25,236.06 $3,449,417,993</td>
<td>24,964.51 $3,559,757,923</td>
<td>25,304.84 $3,595,379,338</td>
<td>340.33 $35,621,415</td>
</tr>
<tr>
<td><strong>Technical &amp; Special Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Salary Operative &amp; Maintenance</strong></td>
<td>2,003,422,598</td>
<td>2,100,946,941</td>
<td>2,353,879,621</td>
<td>252,932,680</td>
</tr>
<tr>
<td><strong>Facilities Renewal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Operating Expenses</strong></td>
<td>2,354,611,236</td>
<td>2,367,230,708</td>
<td>2,611,083,158</td>
<td>243,852,450</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>25,236.06 $5,804,029,229</td>
<td>24,964.51 $5,926,988,631</td>
<td>25,304.84 $6,206,462,496</td>
<td>279,473,865</td>
</tr>
<tr>
<td><strong>Current Unrestricted Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>$1,772,617,965</td>
<td>$1,742,824,005</td>
<td>$1,789,466,664</td>
<td>$46,642,659</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>1,414,389,070</td>
<td>1,400,249,190</td>
<td>1,411,426,255</td>
<td>11,177,065</td>
</tr>
<tr>
<td>Higher Ed Investment Fund</td>
<td>79,282,808</td>
<td>77,903,039</td>
<td>84,353,417</td>
<td>6,450,378</td>
</tr>
<tr>
<td>Sales &amp; Services of Auxiliary</td>
<td>561,967,656</td>
<td>357,927,601</td>
<td>632,668,300</td>
<td>274,740,699</td>
</tr>
<tr>
<td>Federal Grants &amp; Contracts</td>
<td>174,168,942</td>
<td>171,146,451</td>
<td>(633,170)</td>
<td>0%</td>
</tr>
<tr>
<td>CARES/ HEERFII/ ARP Federal Direct &amp; St</td>
<td>38,810,856</td>
<td>113,274,819</td>
<td>(88,935,758)</td>
<td>-79%</td>
</tr>
<tr>
<td>Other Sources</td>
<td>383,957,703</td>
<td>414,985,121</td>
<td>449,380,501</td>
<td>34,395,381</td>
</tr>
<tr>
<td>Transfer to/from Fund Balance</td>
<td>(20,252,652)</td>
<td>26,399,658</td>
<td>(50,527,723)</td>
<td>-191%</td>
</tr>
<tr>
<td>Total Unrestricted Revenue</td>
<td>$4,404,942,348</td>
<td>$4,305,343,054</td>
<td>$4,538,652,584</td>
<td>$233,309,531</td>
</tr>
<tr>
<td><strong>Current Restricted Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARES/ HEERFII/ ARP Student Aid</td>
<td>27,811,801</td>
<td>53,597,884</td>
<td>130,241,900</td>
<td>76,644,016</td>
</tr>
<tr>
<td>CARES/ HEERFII/ ARP Federal Direct &amp; St</td>
<td>8,648,293</td>
<td>72,662,277</td>
<td>112,618,827</td>
<td>39,956,550</td>
</tr>
<tr>
<td>Other Sources</td>
<td>529,327,145</td>
<td>570,376,163</td>
<td>555,443,076</td>
<td>(14,933,087)</td>
</tr>
<tr>
<td>Total Restricted Revenue</td>
<td>$1,399,086,881</td>
<td>$1,621,645,577</td>
<td>$1,667,809,912</td>
<td>$46,164,334</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$5,804,029,229</td>
<td>$5,926,988,631</td>
<td>$6,206,462,496</td>
<td>$279,473,865</td>
</tr>
</tbody>
</table>
## SUMMARY OF EXPENDITURES
**UNIVERSITY SYSTEM OF MARYLAND**
**STATE-SUPPORTED**

### FY 2020 FY 2021 FY 2022 FY 2022 Change

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FTE</th>
<th>Actual</th>
<th>FTE</th>
<th>Estimate</th>
<th>FTE</th>
<th>Appropriation</th>
<th>FTE</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries &amp; Wages</strong></td>
<td>17,256.28</td>
<td>$2,230,787,028</td>
<td>17,111.60</td>
<td>$2,334,156,399</td>
<td>17,457.06</td>
<td>$2,371,263,508</td>
<td>345.46</td>
<td>$37,107,109</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Technical &amp; Special Fees</strong></td>
<td>78,538,969</td>
<td>70,474,084</td>
<td>60,791,183</td>
<td>(9,682,901)</td>
<td>-14%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Salary Operative &amp; Maintenance</strong></td>
<td>914,127,776</td>
<td>948,279,912</td>
<td>908,414,478</td>
<td>(39,865,434)</td>
<td>-4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facilities Renewal</strong></td>
<td>156,720,468</td>
<td>108,377,280</td>
<td>108,301,418</td>
<td>(75,862)</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Operating Expenses</strong></td>
<td>1,149,387,213</td>
<td>1,127,131,276</td>
<td>1,077,507,079</td>
<td>(49,624,197)</td>
<td>-4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>17,256.28</td>
<td>$3,380,174,241</td>
<td>17,111.60</td>
<td>$3,461,287,675</td>
<td>17,457.06</td>
<td>$3,448,770,587</td>
<td>345.46</td>
<td>$(12,517,088)</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Revenue

#### Current Unrestricted Revenue

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2022 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuition &amp; Fees</strong></td>
<td>$1,625,619,201</td>
<td>$1,577,293,242</td>
<td>$1,621,716,365</td>
<td>$44,423,123</td>
</tr>
<tr>
<td><strong>State Appropriation</strong></td>
<td>1,414,389,070</td>
<td>1,400,249,190</td>
<td>1,411,426,255</td>
<td>11,177,065</td>
</tr>
<tr>
<td><strong>Higher Ed Investment Fund</strong></td>
<td>79,282,808</td>
<td>77,903,039</td>
<td>84,353,417</td>
<td>6,450,378</td>
</tr>
<tr>
<td><strong>Sales &amp; Services of Auxiliary</strong></td>
<td>78,072,485</td>
<td>83,148,165</td>
<td>83,009,995</td>
<td>(138,170)</td>
</tr>
<tr>
<td><strong>CARES/ HEERFII/ ARP Federal Direct &amp; State Allocated</strong></td>
<td>32,090,787</td>
<td>85,158,808</td>
<td>12,174,606</td>
<td>(72,984,202)</td>
</tr>
<tr>
<td><strong>Other Sources</strong></td>
<td>151,891,807</td>
<td>154,894,138</td>
<td>174,305,375</td>
<td>19,411,238</td>
</tr>
<tr>
<td><strong>Transfer to/from Fund Balance</strong></td>
<td>(30,775,983)</td>
<td>18,167,463</td>
<td>8,959,253</td>
<td>(9,208,210)</td>
</tr>
<tr>
<td><strong>Total Unrestricted Revenue</strong></td>
<td>$3,350,570,175</td>
<td>$3,396,814,045</td>
<td>$3,395,945,267</td>
<td>$(868,778)</td>
</tr>
</tbody>
</table>

#### Current Restricted Revenue

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2022 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Grants &amp; Contracts</strong></td>
<td>22,981,116</td>
<td>24,347,626</td>
<td>23,585,866</td>
<td>(761,760)</td>
</tr>
<tr>
<td><strong>CARES/ HEERFII/ ARP Student Aid</strong></td>
<td>-2,731,345</td>
<td>4,222,980</td>
<td>1,491,635</td>
<td>55%</td>
</tr>
<tr>
<td><strong>CARES/ HEERFII/ ARP Federal Direct &amp; State Allocated</strong></td>
<td>7,587,225</td>
<td>16,418,040</td>
<td>8,830,815</td>
<td>116%</td>
</tr>
<tr>
<td><strong>Other Sources</strong></td>
<td>6,622,950</td>
<td>29,807,434</td>
<td>8,598,434</td>
<td>(21,209,000)</td>
</tr>
<tr>
<td><strong>Total Restricted Revenue</strong></td>
<td>$29,604,066</td>
<td>$64,473,630</td>
<td>$52,825,320</td>
<td>$(11,648,310)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$3,380,174,241</td>
<td>$3,461,287,675</td>
<td>$3,448,770,587</td>
<td>$(12,517,088)</td>
</tr>
</tbody>
</table>
Table 3c

### SUMMARY OF EXPENDITURES
UNIVERSITY SYSTEM OF MARYLAND
NON STATE-SUPPORTED

<table>
<thead>
<tr>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2022 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>7,979.78</td>
<td>1,218,630,965</td>
<td>7,852.91</td>
</tr>
<tr>
<td>Technical &amp; Special Fees</td>
<td>50,529,486</td>
<td>47,505,398</td>
<td>48,882,351</td>
</tr>
<tr>
<td>Non Salary Operative &amp; Maintenance</td>
<td>1,089,294,822</td>
<td>1,152,667,029</td>
<td>1,445,465,143</td>
</tr>
<tr>
<td>Facilities Renewal</td>
<td>65,399,715</td>
<td>39,927,005</td>
<td>39,228,585</td>
</tr>
<tr>
<td><strong>Subtotal Operating Expenses</strong></td>
<td>$1,205,224,023</td>
<td>$1,240,099,432</td>
<td>$1,533,576,079</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>7,979.78</td>
<td>2,423,854,988</td>
<td>7,852.91</td>
</tr>
</tbody>
</table>

| Current Unrestricted Revenue | | | |
| Tuition & Fees | $146,998,764 | | $165,530,763 | | $167,750,299 | | $2,219,536 | 1% |
| State Appropriation | - | - | - | - | 0% |
| Higher Ed Investment Fund | - | - | - | - | 0% |
| Sales & Services of Auxiliary | 561,967,656 | 357,927,601 | 632,668,300 | 274,740,699 | 77% |
| Federal Grants & Contracts | 96,096,457 | 88,631,456 | 88,136,456 | (495,000) | -1% |
| CARES/ HEERFII/ ARP Federal Direct & St | 6,720,069 | 28,116,011 | 12,164,455 | (15,951,556) | -57% |
| Other Sources | 232,065,896 | 260,090,983 | 275,075,126 | 14,984,143 | 6% |
| Transfer to/from Fund Balance | 10,523,331 | 8,232,195 | (33,087,318) | (41,319,513) | -502% |
| **Total Unrestricted Revenue** | $1,054,372,173 | $908,529,009 | $1,142,707,318 | $234,178,309 | 26% |

| Current Restricted Revenue | | | |
| Federal Grants & Contracts | 810,318,526 | 900,661,627 | 845,920,242 | (54,741,385) | -6% |
| CARES/ HEERFII/ ARP Student Aid | 27,811,801 | 50,866,539 | 126,018,456 | 75,152,381 | 148% |
| CARES/ HEERFII/ ARP Federal Direct & St | 8,648,293 | 65,075,052 | 96,200,787 | 31,125,735 | 48% |
| Other Sources | 522,704,195 | 540,568,729 | 546,844,642 | 6,275,913 | 1% |
| **Total Restricted Revenue** | $1,369,482,815 | $1,557,171,947 | $1,614,984,591 | $57,812,644 | 4% |
| **Total Revenue** | $2,423,854,988 | $2,465,700,956 | $2,757,691,909 | $291,990,953 | 12% |
TOPIC: FY 2022 System Funded Construction Program Request

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: This is a request for approval of the FY 2022 System Funded Construction Program in the amount of $41,865,000 that is the first year of the proposed FY 2022-2026 System Funded Construction Program of $321,211,000, as indicated in the attachment.

The USM Auxiliary Bond portion of the total is $23,700,000 for FY 2021 and a five-year total of $278,546,000. Other than those projects already approved by the Board, are no requests recommended for private financing this cycle, though that decision will be revisited if circumstances change.

The request includes projects proposed for planning, construction and/or equipment funding in FY2022. Board approval is for the single, asking-year budget, but a full five-year plan is required by Board policy. The plan outlines the intended progression of each project over time and puts the current year’s allocation, for the Board’s information, in context with any remaining phases of funding. Some recommendations in the SFCP may be conditional upon satisfactory completion of other projects or activities. These are noted in the attachment or will be part of concurrent discussion with the Board.

As noted above, most projects are recommended for funding through external borrowing in whole or in part. Approval is being requested concurrently and/or at a later date for borrowing authority for those specific projects. There may be changes at that time as a result of timing, cost, fee change implications, or other considerations. Each project is a part of an institutional program that will produce the revenue required for repaying the debt.

ALTERNATIVE(S): Each project can be reviewed separately and accepted, modified, or rejected. The institutional requirement and financial viability for each project were evaluated separately.

FISCAL IMPACT: The impact of the program focuses on the effect of each project on the institution’s operating budget and varies with the plan for setting the charges required to repay the debt.

CHANCELLOR’S RECOMMENDATION: That the Committee on Finance recommend that the Board of Regents approve the FY 2022 System Funded Construction Program request with the conditions listed herein (and within the attached materials) and authorize the Chancellor to make appropriate changes consistent with existing Board policies and guidelines. Any such changes will be reported to the Committee on Finance.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923
# SFCP RECOMMENDATIONS

**BOARD OF REGENTS FY2022-2026 SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) -- $'000'S**

Revised 5-20-21

## Campus Priority INST’N PROJECTS

<table>
<thead>
<tr>
<th>Campus</th>
<th>Inst’N</th>
<th>Projects</th>
<th>Prior</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>Total Project Cost '000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>USM</td>
<td>College</td>
<td>Saratoga Garage Structural &amp; Building System Repairs</td>
<td>2,700</td>
<td>C</td>
<td>1,700</td>
<td>C</td>
<td>4,400</td>
<td></td>
<td>4,400</td>
</tr>
<tr>
<td></td>
<td>College</td>
<td>Phased Renov of Ten High Rise Res Halls (5,300 beds)</td>
<td>64,880</td>
<td></td>
<td>6,850</td>
<td>PC</td>
<td>52,010</td>
<td>PC</td>
<td>13,390</td>
</tr>
<tr>
<td></td>
<td>College</td>
<td>South Campus Recreation Center</td>
<td>9,000</td>
<td>PC</td>
<td>16,000</td>
<td>C</td>
<td>25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>College</td>
<td>New Dining Hall (in support of 1,500 bed/PPP dorm)</td>
<td>10,000</td>
<td>PC</td>
<td>19,400</td>
<td>CE</td>
<td></td>
<td>30,000</td>
<td>54,146</td>
</tr>
<tr>
<td></td>
<td>TCU</td>
<td>Glen Tower/Plaza Renovation (See Cash Below)</td>
<td>25,100</td>
<td>CE</td>
<td>20,000</td>
<td>CE</td>
<td>9,046</td>
<td>CE</td>
<td>46,296</td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>High-Rise Residence Halls Renovation: Phased (See Bonds Above)</td>
<td>21,700</td>
<td>P</td>
<td>11,650</td>
<td>PCE</td>
<td>4,200</td>
<td>PCE</td>
<td>26,250</td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>Residence Hall Renovations (See Bonds Above)</td>
<td>1,000</td>
<td>P</td>
<td>7,000</td>
<td>PC</td>
<td>7,000</td>
<td>CE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>Natatorium Renovation</td>
<td>900</td>
<td>PC</td>
<td>5,100</td>
<td>C</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>New Office Bldg. for Central MD &amp; Education Ctr. - Clarksville</td>
<td>4,835</td>
<td></td>
<td>4,165</td>
<td>CE</td>
<td></td>
<td></td>
<td>Project received prior VCAF approval but scope/cost has increased</td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>Track and Field Relocation</td>
<td>6,900</td>
<td>PC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,900</td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>Campus Farm Upgrades (last year’s est was $15.9M)</td>
<td>2,006</td>
<td>P</td>
<td>11,650</td>
<td>PCE</td>
<td>4,200</td>
<td>PCE</td>
<td>22,100</td>
</tr>
<tr>
<td></td>
<td>UMCP</td>
<td>High-Rise Residence Halls Renovation: (See Bonds Above)</td>
<td>21,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21,700</td>
</tr>
<tr>
<td></td>
<td>FSU</td>
<td>Residence Hall Renovations (See Bonds Above)</td>
<td>1,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,300</td>
</tr>
<tr>
<td></td>
<td>UMBC</td>
<td>The Commons Renovation</td>
<td>900</td>
<td>PC</td>
<td>5,100</td>
<td>C</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal: USM Bonds/Direct Debt RECOMMENDED</td>
<td>23,700</td>
<td>74,486</td>
<td>112,480</td>
<td>20,390</td>
<td>47,490</td>
<td></td>
<td></td>
<td>278,346</td>
<td></td>
</tr>
</tbody>
</table>

Note: Coppin recommendation pending timely completion of revised market study and facilities program

## Five Year Subtotal Bonds (USM Debt)

| Subtotal: USM Cash/Institutional Funds RECOMMENDED | 18,165 | 16,050 | 4,200 | 4,200 | 0 | 42,665 |

## Total SFCP Program (Bonds, Cash)

| TOTAL SFCP PROGRAM (BONDS, CASH) | 41,865 | 90,536 | 116,680 | 24,640 | 47,490 |

## Five Year Total Bonds, Cash

| FIVE YEAR TOTAL BONDS, CASH | 321,211 |

**KEY:** A = Acquisition; P = Planning; C = Construction; CS = Construction Supplemental; E = Equipment

Text in red denotes increases to last year’s SFCP (in excess of general market escalation)

### END OF SFCP RECOMMENDATIONS
<table>
<thead>
<tr>
<th>Campus</th>
<th>Priority</th>
<th>Projects</th>
<th>FUNDING CALENDAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prior</td>
</tr>
<tr>
<td>USM Auxiliary Bonds</td>
<td>FY 2022</td>
<td>FY 2023</td>
<td>FY 2024</td>
</tr>
<tr>
<td>UMCP</td>
<td>New Residence Hall (900 - 1,100 beds)</td>
<td>Est. $68M</td>
<td>PPP</td>
</tr>
<tr>
<td>UMCP</td>
<td>New Residence Hall (1,500 beds)</td>
<td>Est. $180M</td>
<td>PPP</td>
</tr>
<tr>
<td>BSU</td>
<td>New Residence Hall #2 (450 beds)</td>
<td>Cash &amp;</td>
<td>4,100</td>
</tr>
<tr>
<td>TU</td>
<td>Phase V Housing (700 Beds and 400 parking spaces)</td>
<td>Bonds</td>
<td>7,000</td>
</tr>
<tr>
<td>UMCP</td>
<td>New Residence Hall</td>
<td>Cash &amp;</td>
<td>4,100</td>
</tr>
<tr>
<td>UMBC</td>
<td>New Residence Hall</td>
<td>Cash &amp;</td>
<td>4,100</td>
</tr>
<tr>
<td>UMCP</td>
<td>Parking Garage (3,000 spaces)</td>
<td>33,000</td>
<td>PC</td>
</tr>
<tr>
<td>UMCP</td>
<td>Renovate and Expand Annapolis Hall</td>
<td>1,695</td>
<td>P</td>
</tr>
<tr>
<td>UMCP</td>
<td>Cecil Residence Hall Renovation</td>
<td>1,000</td>
<td>P</td>
</tr>
<tr>
<td>CSU</td>
<td>New Student Center</td>
<td>5,349</td>
<td>P</td>
</tr>
<tr>
<td>SU</td>
<td>Guerrieri Student Union Renovation</td>
<td>2,500</td>
<td>P</td>
</tr>
</tbody>
</table>

**REQUESTS FOR NEW HOUSING REQUIRING FURTHER INFORMATION**

- UMCP: New Residence Hall (900 - 1,100 beds), Est. $68M
- UMCP: New Residence Hall (1,500 beds), Est. $180M
- BSU: New Residence Hall #2 (450 beds)
- TU: Phase V Housing (700 Beds and 400 parking spaces)

**BOND REQUESTS STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION):**

- UMCP: Parking Garage (3,000 spaces)
- UMCP: Renovate and Expand Annapolis Hall
- UMCP: Cecil Residence Hall Renovation
- CSU: New Student Center
- SU: Guerrieri Student Union Renovation

**CASH REQUESTS STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION):**

None (may be brought separately to the Board as required)

**ENERGY PERFORMANCE CONTRACTS (For Information Only):**

None (may be brought separately to the Board as required)

**Public/Private Partnership PPP Requests**

New to FY2022-2026 SFCP

**KEY:**

- A = Acquisition
- P = Planning
- C = Construction
- CS = Construction Supplemental
- E = Equipment

*Note: Potential Public/Private Partnership projects are typically brought to the Board individually for consideration. All housing requests should be evaluated for the potential to leverage private funding. Most require updated market studies to account for current enrollment trends and the impact of off-campus housing options on campus demand and financial viability.
TOPIC: University System of Maryland: Forty-Third Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: The Board of Regents has previously adopted forty-two bond resolutions, with amendments, authorizing the issuance of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The proposed Resolution authorizes the issuance of Revenue Bonds to finance $53,700,000 of academic and auxiliary facilities projects.

The Auxiliary Facilities Projects submitted in this Forty-Third Bond Resolution may be subject to adjustments in order to align it with the FY 2022 System Funded Construction Program Request to be considered and adopted by the Board on June 17, 2021. Any changes to this Resolution will be reported to the Committee on Finance. The total amount of bonds authorized will not exceed $53,700,000.

Academic Facilities Projects
- University of Maryland, College Park: Infrastructure Project $5,000,000
- System-wide Capital Facilities Renewal: $25,000,000

Auxiliary Facilities Projects
- University of Maryland, Baltimore: Saratoga Garage Structural & Building System Repairs $2,700,000
- Towson University: Glen Towers Addition and Renovation $20,000,000
- Frostburg State University: Residence Hall Renovations $1,000,000

BOND COUNSEL: Miles & Stockbridge P.C.

ALTERNATIVE(S): The projects may be delayed without this authorization.

FISCAL IMPACT: Issuance of $53,700,000 of bonds would result in debt service of approximately $4.3 million per year for 20 years at 5.0%.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the Forty-Third Bond Resolution.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923
FORTY-THIRD BOND RESOLUTION

OF THE BOARD OF REGENTS OF THE

UNIVERSITY SYSTEM OF MARYLAND

AUTHORIZING THE ISSUANCE AND SALE OF UP TO

$53,700,000 UNIVERSITY SYSTEM OF MARYLAND

AUXILIARY FACILITY AND TUITION

REVENUE BONDS
# TABLE OF CONTENTS

Recitals ..................................................................................................................... 1

ARTICLE I DEFINITIONS .......................................................................................... 2
  Section 1.01. Terms Defined in the Indenture .......................................................... 2
  Section 1.02. Additional Definitions ................................................................. 2

ARTICLE II FORTY-THIRD RESOLUTION BONDS ................................................. 4
  Section 2.01. Authorized Amount of Forty-Third Resolution Bonds; Designation
  and Series; Purpose; Security ................................................................. 4
  Section 2.02. General Terms of Forty-Third Resolution Bonds ......................... 5
  Section 2.03. Form of Forty-Third Resolution Bonds ......................................... 6
  Section 2.04. Use of Proceeds; Projects Authorized ............................................ 7
  Section 2.05. Deposit of Forty-Third Resolution Bond Proceeds ......................... 7
  Section 2.06. Refunding Bonds ............................................................................ 8
  Section 2.07. Escrow Deposit Agreements .......................................................... 8
  Section 2.08. Consolidation of Bonds ................................................................. 9
  Section 2.09. Records for Academic Facilities and Auxiliary Facilities ............ 9

ARTICLE III REDEMPTION OF FORTY-THIRD RESOLUTION BONDS ............. 9
  Section 3.01. Redemption Dates and Prices ....................................................... 9
  Section 3.02. Redemption Amounts ................................................................. 9

ARTICLE IV CONSOLIDATED BOND FUND; ADDITIONAL FUNDS .............. 11
  Section 4.01. Payments into Consolidated Bond Fund ........................................ 11
  Section 4.02. Disbursements from Consolidated Bond Fund ............................. 11
  Section 4.03. Establishment of Additional Funds or Accounts ......................... 11

ARTICLE V GENERAL CONSTRUCTION FUND ................................................. 12
  Section 5.01. Deposit to General Construction Fund ........................................... 12
  Section 5.02. Deposit of Moneys Transferred from the Forty-Third Resolution
  Rebate Fund ............................................................................................... 12
  Section 5.03. Disbursements .............................................................................. 12
  Section 5.04. Additions to and/or Deletions from the Academic Facilities Projects
  and the Auxiliary Facilities Projects to be Financed .................................... 12
  Section 5.05. Authorization for Use of Proceeds of Forty-Third Resolution Bonds
  for Other Projects ...................................................................................... 13
  Section 5.06. Authorization for Use of Proceeds of Bonds from Prior Bond
  Resolutions for Projects ............................................................................ 13

ARTICLE VI REBATE FUND .................................................................................... 13
  Section 6.01. Rebate Fund .................................................................................. 13

ARTICLE VII ADDITIONAL PERMITTED INVESTMENTS ............................ 13
  Section 7.01. Additional Permitted Investments .................................................. 13
<table>
<thead>
<tr>
<th>ARTICLE VIII</th>
<th>MISCELLANEOUS</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8.01.</td>
<td>Supplemental Resolutions</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.02.</td>
<td>Limitation of Rights</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.03.</td>
<td>Severability</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.04.</td>
<td>Immunity of Regents and Officers</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.05.</td>
<td>Private Use of the Projects</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.06.</td>
<td>Sale of Forty-Third Resolution Bonds</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.07.</td>
<td>Official Statement</td>
<td>16</td>
</tr>
<tr>
<td>Section 8.08.</td>
<td>Continuing Disclosure</td>
<td>16</td>
</tr>
<tr>
<td>Section 8.09.</td>
<td>Absence of Chairperson or Chancellor</td>
<td>16</td>
</tr>
<tr>
<td>Section 8.10.</td>
<td>Further Actions</td>
<td>16</td>
</tr>
<tr>
<td>Section 8.11.</td>
<td>Validity of Signatures</td>
<td>17</td>
</tr>
<tr>
<td>Section 8.12.</td>
<td>Declaration of Official Intent</td>
<td>17</td>
</tr>
<tr>
<td>Section 8.13.</td>
<td>Liberal Construction</td>
<td>17</td>
</tr>
</tbody>
</table>
FORTY-THIRD BOND RESOLUTION  
OF THE BOARD OF REGENTS OF THE  
UNIVERSITY SYSTEM OF MARYLAND 
AUTHORIZING THE ISSUANCE AND SALE OF UP TO 
$53,700,000 UNIVERSITY SYSTEM OF MARYLAND 
AUXILIARY FACILITY AND TUITION 
REVENUE BONDS

RECITALS

WHEREAS, pursuant to Title 19 of the Education Article of the Annotated Code of Maryland (as the same may be amended or supplemented from time to time, “Title 19”), the University System of Maryland (the “System”) is authorized to issue bonds for the purpose of financing or refinancing all or any part of the costs of the acquisition, construction, reconstruction, equipment, maintenance, repair, renovation and operation of one or more “projects,” as such term is defined in Title 19, of the System;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted May 3, 1989, the System approved the Original Indenture (as hereinafter defined) providing for the issuance of one or more series of bonds from time to time for the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted June 14, 1995, the System approved the Supplemental Indenture (as hereinafter defined) supplementing and amending the Original Indenture in furtherance of the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, the System desires to issue and sell up to $53,700,000 aggregate principal amount of its University System of Maryland Auxiliary Facility and Tuition Revenue Bonds on one or more Issuance Dates (as hereinafter defined) in one or more series from time to time, subject to the terms and conditions of this Forty-Third Bond Resolution (as amended or supplemented from time to time, this “Resolution” or “Forty-Third Bond Resolution”) and the Indenture (as hereinafter defined) and secured by and payable from the Trust Estate pledged under the Indenture;
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT:

ARTICLE I

DEFINITIONS

Section 1.01. Terms Defined in the Indenture. Except as provided in Section 1.02, all initially capitalized terms contained in the Indenture when used in this Resolution shall have the same meaning herein as set forth in the Indenture.

Section 1.02. Additional Definitions. In addition to the words and terms defined in the Indenture and elsewhere defined herein, the following words and terms as used herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

“Academic Facilities Projects” means, collectively, those projects constituting “academic facilities” as such term is defined in Title 19 which are defined as such in Section 2.04 of this Resolution, and individually, each of the projects so defined therein, and those projects which pursuant to Section 5.04 hereof are added as Projects.

“Accreted Amount” means the principal amount of any Capital Appreciation Bond as of the date of delivery, plus accrued interest (including compounded interest to the immediately preceding Interest Payment Date), if any.

“Arbitrage Compliance Agreement” means each Arbitrage Compliance Agreement (if any) or such other arbitrage or tax certification respecting payment of arbitrage rebate executed with respect to the Forty-Third Resolution Bonds issued on any Issuance Date.

“Authorized Denomination” means $5,000 or any integral multiple thereof, or such greater amount or multiple as may be set forth in a System Order.

“Auxiliary Facilities Projects” means, collectively, the projects constituting “auxiliary facilities” as such term is defined in Title 19 which are defined as such in Section 2.04 of this Resolution, and individually, each of the projects so defined therein, and those projects which pursuant to Section 5.04 hereof are added as Projects.

“Bond Resolution(s)” means each and all of the Resolutions of the Board which authorize the issuance of Bonds.

“Bonds” has the meaning given that term in the Indenture.

“Capital Appreciation Bonds” are described in Section 2.02 of this Resolution.

“Current Interest Bonds” are described in Section 2.02 of this Resolution.
“Escrow Deposit Agreement” means each agreement by and between the System and the Trustee executed and delivered in accordance with Section 2.07 of this Resolution.

“Fixed Rate Bond” means a Forty-Third Resolution Bond bearing interest at a rate which is fixed to the maturity of such Forty-Third Resolution Bond.

“Forty-Third Resolution Bonds” means the Bonds of the System authorized by this Resolution.

“Forty-Third Resolution Rebate Fund” means the fund established pursuant to Section 6.01 of this Resolution and Section 7.01 of the Indenture.

“Indenture” means the Original Indenture, as supplemented and amended by the Supplemental Indenture and as further amended or supplemented from time to time.

“Interest Payment Date” means April 1 and October 1 of each calendar year or such other date or dates as may be prescribed in a System Order and for any Forty-Third Resolution Bond paid in full, the date of payment in full of such Forty-Third Resolution Bond.

“Issuance Date” means each date on which all or any portion of the Forty-Third Resolution Bonds are exchanged for the purchase price thereof.

“Liquidity Facility” means a Credit Facility which shall provide for the payment of the purchase price of Variable Rate Bonds tendered by the holders thereof for purchase as provided in a System Order regarding the issuance of such Variable Rate Bonds but shall not provide for the payment of the principal due on any such Variable Rate Bond at maturity or earlier redemption.

“Liquidity Provider” means the Person who provides a Liquidity Facility.

“Mandatory Sinking Fund Payment” is defined in Section 3.01 of this Resolution.

“Original Indenture” means the Indenture of Trust, dated as of May 1, 1989, by and between the System and the Trustee as approved by the Board of Regents pursuant to the 1989 Series A Bond Resolution of the System adopted May 3, 1989.

“Projects” means, collectively, the Academic Facilities Projects, the Auxiliary Facilities Projects and any other projects for which the proceeds of the Forty-Third Resolution Bonds are authorized to be used.

“Record Date” means (a) with respect to Forty-Third Resolution Bonds which are Fixed Rate Bonds or which are Variable Rate Bonds then bearing interest at a rate which is fixed for a period of one year or longer, the 15th day of the calendar month immediately preceding an Interest Payment Date, whether or not such day is a Business Day, and (b) with respect to all other Forty-Third Resolution Bonds, the Business Day immediately preceding an Interest
“Refunding Bonds” means (i) Forty-Third Resolution Bonds of the System authorized by Section 2.06 of this Resolution or (ii) any Bonds issued under the authority of any other Bond Resolution to refund Bonds previously issued to finance any Project or to refund any prior issue of Bonds, including refunding Bonds.

“Sinking Fund Redemption Date” is defined in Section 3.01 of this Resolution.

“Supplemental Indenture” means the First Supplemental Indenture of Trust dated June 14, 1995, by and between the System and the Trustee, which Supplemental Indenture supplements and amends the Original Indenture.

“System Order” means the separate written order with respect to the Forty-Third Resolution Bonds issued on any Issuance Date executed by an Authorized System’s Representative.

“Variable Rate Bond” means a Forty-Third Resolution Bond bearing interest at a rate which is not fixed to the maturity of such Forty-Third Resolution Bond.

ARTICLE II

FORTY-THIRD RESOLUTION BONDS

Section 2.01. Authorized Amount of Forty-Third Resolution Bonds; Designation and Series; Purpose; Security.

(a) In order to provide sufficient funds to carry out the purposes described in this Section 2.01, and according and subject to the terms, conditions and limitations established in the Indenture and this Resolution, Forty-Third Resolution Bonds in an aggregate principal amount not to exceed $53,700,000 are hereby authorized to be issued on one or more Issuance Dates from time to time as may be prescribed in a System Order regarding each issuance of Forty-Third Resolution Bonds, all of which shall be issued for the purposes of financing the Projects. The Forty-Third Resolution Bonds shall consist of Current Interest Bonds or Capital Appreciation Bonds or any combination thereof and may be issued from time to time on any Issuance Date. For the purposes of this Section 2.01, the principal amount of Capital Appreciation Bonds shall be the Accreted Amount as of the Issuance Date of such Capital Appreciation Bonds. Each System Order regarding each Issuance Date of the Forty-Third Resolution Bonds shall specify the aggregate principal amount of Forty-Third Resolution Bonds to be issued. In addition to the title “University System of Maryland Auxiliary Facility and Tuition Revenue Bonds,” each such System Order may prescribe or the Trustee may add to or incorporate into the general title or numerical designation of any Forty-Third Resolution Bonds, any words, figures or letters designed to distinguish Forty-Third Resolution Bonds issued on a particular Issuance Date from any other Forty-Third Resolution Bonds or any other series of Bonds issued on such Issuance Date.
(b) The proceeds from the issuance and sale of the Forty-Third Resolution Bonds shall be used for the purposes of financing or refinancing the cost of the Projects described in Section 2.04 hereof.

(c) The intended source of payment for the Forty-Third Resolution Bonds designated for Academic Facilities Projects shall be Tuition Revenues and the intended source of payment for the Forty-Third Resolution Bonds not designated for Academic Facilities Projects shall be Auxiliary Facilities Fees; provided, however, such intention as to source of payment shall in no way limit the lien of the Trust Estate or the right of the System to use any other source legally available for payment of any of the Forty-Third Resolution Bonds.

(d) The Forty-Third Resolution Bonds shall be secured as provided in the Indenture.

Section 2.02. General Terms of Forty-Third Resolution Bonds.

(a) The Forty-Third Resolution Bonds shall be dated as of the date or dates prescribed in a System Order.

(b) The Current Interest Bonds shall bear interest from their date, until paid, at the rate or rates set forth in, or determined in the manner provided in, a System Order (computed on the basis of (a) a 360-day year, composed of twelve 30-day months, in the case of Forty-Third Resolution Bonds which are Fixed Rate Bonds or which are Variable Rate Bonds then bearing interest at a rate which is fixed for a period of one year or longer or (b) a 365- or 366-day year, as appropriate, for the number of days elapsed in the case of all other Forty-Third Resolution Bonds) payable on each Interest Payment Date, and shall mature on such date or dates as may be prescribed in a System Order, but in no event shall the latest maturity be later than thirty-three (33) years from the Issuance Date of the applicable series of Forty-Third Resolution Bonds. Interest on the Capital Appreciation Bonds shall accrue from their date of delivery at the rate or rates and in accordance with the method set forth in a System Order, shall be compounded on April 1 and October 1 of each year or as set forth in a System Order and shall be payable at maturity or earlier on any redemption date, or on such date or dates as may be prescribed in a System Order, but in no event shall the latest maturity be later than thirty-three (33) years from the Issuance Date of the applicable series of Forty-Third Resolution Bonds.

(c) The Forty-Third Resolution Bonds shall be issuable as registered bonds without coupons in any Authorized Denomination. The Forty-Third Resolution Bonds initially shall be issued only in book entry form and an Authorized System's Representative is hereby authorized to enter into such agreements with a Depository as may be necessary or appropriate to issue the Forty-Third Resolution Bonds only in book entry form.
(d) The principal of and premium (if any) on the Current Interest Bonds and the principal of, and premium (if any) and interest due at maturity on, the Capital Appreciation Bonds shall be payable at the principal office or the principal corporate trust office of the Trustee, upon surrender of such Bonds at such principal office.

(e) Interest on the Current Interest Bonds shall be paid on each Interest Payment Date for the period from and including the immediately preceding Interest Payment Date for which interest has not theretofore been paid to but excluding the Interest Payment Date on which such payment is to be made. Subject to the terms of any agreement with a Depository and except as otherwise provided in a System Order, interest on the Current Interest Bonds shall be payable by check drawn upon the Trustee and mailed to the Persons in whose names such Current Interest Bonds are registered on the Bond Register as of the close of business on the Record Date immediately before the relevant Interest Payment Date; provided that the payment of interest on any such Current Interest Bonds in an aggregate principal amount equal to or greater than $1,000,000 registered in the name of one Bondholder may, at the option of such Bondholder, be paid on any Interest Payment Date by wire transfer in federal reserve funds to any bank in the United States of America specified by such Bondholder, upon receipt by the Trustee of written notice on or before the Record Date immediately prior to the first Interest Payment Date upon which such a wire transfer is to be made. If any Bondholder shall elect to receive payment of interest by wire transfer, such election shall remain effective for all subsequent Interest Payment Dates until written notice revoking such election is received by the Trustee on or before the Record Date immediately prior to the Interest Payment Date for which notice of revocation is to be effective.

(f) As provided in the Indenture, the obligation of the System to pay the principal of, and premium (if any) and interest on, the Forty-Third Resolution Bonds, shall be secured by and satisfied solely from the Trust Estate.

Section 2.03. Form of Forty-Third Resolution Bonds. The Forty-Third Resolution Bonds shall be in the form as may, consistent with the Indenture and this Resolution, be approved in a System Order, and shall be executed and delivered as provided in Section 2.09 of the Indenture. Execution of any Forty-Third Resolution Bonds consistent with Section 2.09 of the Indenture shall be conclusive evidence of the System’s approval thereof.
Section 2.04. Use of Proceeds; Projects Authorized. The following “academic facilities” and “auxiliary facilities” are hereby approved as projects, the costs of which may be paid from the proceeds from the issuance and sale of Bonds:

(a) up to $5,000,000 of the Forty-Third Resolution Bonds for the costs of the following constituting Academic Facilities Project:

University of Maryland, College Park Campus (Prince George’s County)
Infrastructure Project

(b) up to $25,000,000 of the Forty-Third Resolution Bonds for the costs of those Capital Facilities Renewal Projects identified in the Capital Improvement Program approved by the Board for Fiscal Year 2022, as those Projects, from time to time, may be amended, modified, or supplemented by the Board.

(c) the following auxiliary facilities (the “Auxiliary Facilities Projects”) which are further identified and described in the System Funded Construction Program approved by the Board for Fiscal Year 2022, as those Projects, from time to time, may be amended, modified, or supplemented by the Board:

(1) University of Maryland, Baltimore (Baltimore City)
   Saratoga Garage Structural & Building System Repairs
(2) Towson University (Baltimore County)
   Glen Towers Addition and Renovation
(3) Frostburg State University ( Allegany County)
   Residence Hall Renovations

In accordance with Section 102(d) of Title 19, and pursuant to Chapter 123 of the 2013 Laws of Maryland, each of the Academic Facilities Projects specified in subsection (a) and (b) above were approved by the Maryland General Assembly as a project for an academic facility. The aggregate amount of Bonds (of all series) designated for Academic Facilities Projects, as provided in Section 6.03 of the Indenture, shall not exceed the amounts specified in (a) and (b) above for the Academic Facilities Projects specified in such Sections.

Section 2.05. Deposit of Forty-Third Resolution Bond Proceeds. The System shall direct the payment of the net proceeds of the Forty-Third Resolution Bonds, in the following order:

(a) accrued interest, if any, on those Forty-Third Resolution Bonds that are Current Interest Bonds, from their dated date to but excluding the date of delivery thereof, shall be paid to the Trustee and deposited in the Interest Account of the Consolidated Bond Fund;

(b) proceeds of those Forty-Third Resolution Bonds designated as CBF Bonds which are Refunding Bonds shall be applied in accordance with Section 2.07 below; and
(c) proceeds of those Forty-Third Resolution Bonds designated as CBF Bonds which are not Refunding Bonds shall be deposited in the General Construction Fund, in such accounts as may be designated in a System Order.

Section 2.06. Refunding Bonds.

(a) Authority to Issue Refunding Bonds. In addition to the Forty-Third Resolution Bonds authorized pursuant to this Resolution, and pursuant to the authority provided in Section 19-108 of Title 19 and Section 2.07(c) of the Indenture, the System is authorized to issue from time to time on any Issuance Date, additional Forty-Third Resolution Bonds, as may be prescribed in a System Order, to refund any Forty-Third Resolution Bonds or any other Refunding Bond. The terms and provisions of Section 2.01(a), 2.02 and 2.03 of this Resolution shall govern the terms and provisions of any Refunding Bonds. Proceeds of any Forty-Third Resolution Bonds or any other Refunding Bonds may be used for the purpose of paying (i) the principal of, and premium (if any) and interest on any Forty-Third Resolution Bonds or any other Refunding Bonds previously issued under authority of this Forty-Third Bond Resolution or any other Bond Resolution, and (ii) any costs of issuance of such Forty-Third Resolution Bonds or any other Refunding Bonds.

(b) Allocation of Refunding Bonds. Any Refunding Bonds issued pursuant to the authority of this Forty-Third Bond Resolution shall be allocated to the Bond Resolution under which such Bonds to be refunded were originally issued without taking into account any premiums or discounts received in connection with the sale of such Bonds or the principal amount of such Refunding Bonds to be applied to pay the principal of, and premium (if any) and interest on any Bonds to be refunded or the costs of issuance of such Refunding Bonds.

Section 2.07. Escrow Deposit Agreements.

(a) On each Issuance Date of Refunding Bonds, the System and the Trustee shall execute and deliver an Escrow Deposit Agreement satisfying the requirements of this Section 2.07 and containing such other terms and conditions as the System may deem necessary or appropriate.

(b) Amounts held by the Trustee pursuant to an Escrow Deposit Agreement shall constitute part of the Trust Estate. If, and to the extent that, any Escrow Deposit Agreement provides for the disbursement of amounts for the purpose of paying the principal of, and premium (if any) and interest on, Forty-Third Resolution Bonds being refunded, then such amounts shall not be deemed to be held by the Trustee for the benefit of the Refunding Bonds but only for the benefit of the Forty-Third Resolution Bonds being refunded, all at such times and with respect to such amounts as may be specified in such Escrow Deposit Agreement. Except as provided in the preceding sentence, or as may be provided in an Escrow Deposit Agreement, amounts held by the Trustee pursuant to such Escrow Deposit Agreement shall be held for the benefit of only the Refunding Bonds issued on such Issuance Date.
(c) The System, pursuant to an Escrow Deposit Agreement, is hereby authorized to require the Trustee to establish from time to time one or more additional funds, accounts or subaccounts under this Resolution.

(d) Amounts held pursuant to an Escrow Deposit Agreement shall be disbursed by the Trustee pursuant to the terms of such Escrow Deposit Agreement for the purpose of paying the principal of, and premium (if any) and interest on, Forty-Third Resolution Bonds being refunded and Refunding Bonds identified in such Escrow Deposit Agreement, on or prior to the maturity date thereof.

(e) A single Escrow Deposit Agreement may be executed in connection with the issuance of Refunding Bonds and other Bonds of the System, the proceeds of which are to be used to refund Outstanding Bonds under the Indenture.

Section 2.08. Consolidation of Bonds. Refunding Bonds (a) may be designated as CBF Bonds under the Indenture and (b) may be consolidated with, and issued together with, any other Bonds authorized to be issued under the Indenture. The proceeds of any Refunding Bonds may be consolidated and commingled with the proceeds of other Bonds issued to refund Outstanding Bonds under the Indenture as part of any Escrow Deposit Agreement that otherwise complies with Section 2.07 of this Resolution.

Section 2.09. Records for Academic Facilities and Auxiliary Facilities. The System shall maintain such books and records and shall make such allocations of the principal amount of Refunding Bonds and the payment of the principal of, and premium (if any) and interest on, such Refunding Bonds, as may be required from time to time in order to comply with the provisions of Section 19-102(e) of Title 19.

ARTICLE III

REDEMPTION OF FORTY-THIRD RESOLUTION BONDS

Section 3.01. Redemption Dates and Prices.

(a) The Forty-Third Resolution Bonds shall be subject to redemption, in whole or in part at any time, at the option of the System or on such date or dates and at such price or prices as may be set forth in a System Order. The principal value of any Capital Appreciation Bonds as of any date of redemption shall equal the Accreted Amount.

(b) The Current Interest Bonds or certain of such Current Interest Bonds shall be subject to mandatory redemption, on such date or dates as may be prescribed in a System Order (each such date being a “Sinking Fund Redemption Date”), in such principal amount or amounts and at such price or prices as may be prescribed in a System Order (each such amount being a “Mandatory Sinking Fund Payment”).

Section 3.02. Redemption Amounts.
(a) The System may reduce the amount of any Mandatory Sinking Fund Payment payable on any Sinking Fund Redemption Date by an amount equal to the principal amount of Current Interest Bonds subject to such Mandatory Sinking Fund Payment that shall be surrendered uncancellable by the System to the Trustee for such purpose not less than sixty (60) days prior to such Sinking Fund Redemption Date.

(b) In the case of any partial redemption of Current Interest Bonds at the option of the System, the System may select for redemption (i) any one or more subsequent maturities of Current Interest Bonds, and (ii) if any maturity of Current Interest Bonds is subject to Mandatory Sinking Fund Payment, any one or more subsequent Mandatory Sinking Fund Payments to be credited as being paid, provided that the System shall have delivered to the Trustee, not less than sixty (60) days before such maturity date or Sinking Fund Redemption Date (or such lesser period of time as the Trustee may allow), a System Request stating its election to redeem such Current Interest Bonds in such manner. In such case, the Trustee shall reduce the amount of Current Interest Bonds to be redeemed on the Sinking Fund Redemption Date specified in such System Request by the principal amount of Current Interest Bonds so purchased or redeemed. In the absence of any such direction, the Trustee shall reduce subsequent maturities and Mandatory Sinking Fund Payments proportionately, in increments of the minimum Authorized Denomination, to the extent reasonably practicable.

(c) Any credit given to any Mandatory Sinking Fund Payments shall not affect any remaining or subsequent Mandatory Sinking Fund Payments which shall remain payable as otherwise provided herein, unless and until another credit is given in accordance with the provisions hereof.

(d) In the case of any partial redemption of Forty-Third Resolution Bonds, the particular Forty-Third Resolution Bonds or portions thereof to be redeemed shall be selected by the Trustee in proportion to the principal amount of Forty-Third Resolution Bonds then outstanding, to the maximum extent practicable, and in such manner as the Trustee shall deem fair and equitable; provided, however, that so long as the Forty-Third Resolution Bonds are registered in book-entry form with a Depository, the particular Forty-Third Resolution Bonds or portions thereof to be redeemed shall be selected by the Depository in such manner as the Depository shall determine. If any Forty-Third Resolution Bonds to be redeemed are selected by lot, such method shall be conclusively deemed fair and equitable. In the case of any partial redemption of Forty-Third Resolution Bonds, in selecting Forty-Third Resolution Bonds for redemption the Bond Registrar shall treat each Forty-Third Resolution Bond as representing that number of Forty-Third Resolution Bonds as is obtained by dividing the principal amount of such Forty-Third Resolution Bond by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of the minimum Authorized Denomination of face value represented by any Forty-Third Resolution Bond are to be redeemed, then upon notice of intention to effect such redemption, the Holder of such Forty-Third Resolution Bond shall forthwith surrender such Forty-Third Resolution Bond to the Trustee (i) for payment of the redemption price (including accrued interest thereon on the date fixed for redemption) of the portion thereof called for redemption and (ii) for exchange for Forty-Third Resolution Bonds in any Authorized Denomination or Denominations in the aggregate principal amount of the unredeemed portion of such Forty-Third Resolution Bond, which shall be issued to the Holder
thereof without charge therefor. If the Holder of any such Forty-Third Resolution Bond to be redeemed in part shall fail to present such Forty-Third Resolution Bond to the Trustee for payment and exchange, as aforesaid, such Forty-Third Resolution Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of the minimum Authorized Denomination of principal amount called for redemption (and to that extent only).

ARTICLE IV

CONSOLIDATED BOND FUND; ADDITIONAL FUNDS

Section 4.01. Payments into Consolidated Bond Fund.

(a) Subject to the provisions of Section 4.01(b) hereof, moneys transferred from the Revenue Fund in respect of the Forty-Third Resolution Bonds shall be deposited in the order and amount set forth in Section 5.02 of the Indenture.

(b) In connection with the issuance of any Variable Rate Bonds, the Trustee shall establish such additional accounts within the Consolidated Bond Fund as shall be directed in a System Order relating to such Variable Rate Bonds. Moneys transferred from the Revenue Fund in respect of any Variable Rate Bonds may be deposited in any such additional accounts established within the Consolidated Bond Fund, and the amounts, times and order of priority of deposits to the Interest Account, the Principal Account and any such additional accounts established within the Consolidated Bond Fund with respect to such Variable Rate Bonds shall be as set forth in such System Order.

Section 4.02. Disbursements from Consolidated Bond Fund.

(a) Subject to the provisions of Section 4.02(b) hereof, the Trustee is hereby authorized and directed to withdraw and disburse moneys in the Consolidated Bond Fund in the order and amount, and for the purposes, set forth in Section 5.03 of the Indenture.

(b) In connection with the issuance of any Variable Rate Bonds, the Trustee shall be authorized and directed to withdraw and disburse moneys in the Principal Account, the Interest Account and any additional accounts established pursuant to Section 4.01(b) hereof within the Consolidated Bond Fund in the order and amounts, and for the purposes, set forth in the System Order relating to such Variable Rate Bonds.

Section 4.03. Establishment of Additional Funds or Accounts.

(a) In addition to any accounts established by the Trustee pursuant to Section 4.01(b) and 4.02(b) hereof, there may be established within the Consolidated Bond Fund, pursuant to the System Order regarding the issuance of any series of the Forty-Third Resolution Bonds or as requested by the Authorized System’s Representative, such additional trust accounts as shall be necessary or convenient in connection therewith and as shall be permitted pursuant to Section 5.01 of the Indenture. Deposits to and payments from such separate funds or accounts
shall be as set forth in such System Order, subject in all events to the provisions of the Indenture.

ARTICLE V

GENERAL CONSTRUCTION FUND

Section 5.01. Deposit to General Construction Fund. Upon receipt by the Trustee of the moneys specified in Section 2.05(c) hereof, such moneys shall be deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account of the General Construction Fund, in such amounts as may be specified in a System Order.

Section 5.02. Deposit of Moneys Transferred from the Forty-Third Resolution Rebate Fund. Any moneys transferred from the Forty-Third Resolution Rebate Fund to the General Construction Fund shall be deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account in such amounts as may be specified in a System Request.

Section 5.03. Disbursements

(a) Proceeds of the Forty-Third Resolution Bonds deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account of the General Construction Fund shall be disbursed in accordance with the provisions of Section 6.03 of the Indenture for the Costs of the Projects.

(b) Upon completion of the Projects, any moneys remaining in the General Construction Fund (other than moneys retained to pay costs, expenses and interest not then due and payable) shall be transferred to the Excess Proceeds Account and shall be held and disbursed by the Trustee in accordance with Section 6.04 of the Indenture.

Section 5.04. Additions to and/or Deletions from the Academic Facilities Projects and the Auxiliary Facilities Projects to be Financed.

(a) The System, without the consent of the Trustee or the Holders of the Forty-Third Resolution Bonds, may from time to time amend Section 2.04 hereto to include as a Project any “academic facilities” as such term is defined in Title 19, to be constructed by the System and items of equipment to be acquired or installed by the System for which the use of Forty-Third Resolution Bond proceeds is authorized pursuant to Title 19, as confirmed by an approving opinion of Bond Counsel, or to delete from Section 2.04 any Academic Facility Project listed therein; provided, however, that each item shall have been approved by the General Assembly of the State of Maryland pursuant to Section 19-102(d) of Title 19. In connection with any such amendment of Section 2.04, the System shall deliver to the Trustee the amended Section 2.04 together with a System Certificate approving such amendment and certifying that each item set forth in Section 2.04, as so amended, qualifies as such an academic facility.

(b) The System, without the consent of the Trustee or the Holders of the Forty-Third Resolution Bonds, may from time to time amend Section 2.04 hereto to include as an Auxiliary Facilities Project any other “auxiliary facilities,” as such term is defined in Title 19,
to be constructed by the System and items of equipment to be acquired or installed by the System for which the use of Forty-Third Resolution Bond proceeds is authorized pursuant to Title 19, as confirmed by an approving opinion of Bond Counsel or to delete from Section 2.04 auxiliary facility projects listed therein to be acquired or constructed by the System and items of equipment to be acquired and installed by the System. In connection with any such amendment of Section 2.04 the System shall deliver to the Trustee the amended Section 2.04 together with a System Certificate approving such amendment and certifying that each item set forth in Section 2.04, as so amended, qualifies as such an auxiliary facility.

Section 5.05. Authorization for Use of Proceeds of Forty-Third Resolution Bonds for Other Projects. As provided in the Indenture, all monies in the General Construction Fund may be disbursed to pay for the costs of any Auxiliary Facilities Project and any Academic Facilities Project. The proceeds of the Forty-Third Resolution Bonds deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to prior Bond Resolutions and any Projects authorized pursuant to this Forty-Third Bond Resolution. In addition, the proceeds of the Forty-Third Resolution Bonds deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to subsequent Bond Resolutions without amending any other Bond Resolution and without the necessity of any amendment to this Forty-Third Bond Resolution or the consent of the Trustee or any Holder of the Forty-Third Resolution Bonds.

Section 5.06. Authorization for Use of Proceeds of Bonds from Prior Bond Resolutions for Projects. As provided in the Indenture, all monies in the General Construction Fund may be disbursed to pay for the costs of any Auxiliary Facilities Project and any Academic Facilities Project. The proceeds of any Bonds heretofore or hereafter issued under any prior Bond Resolutions and deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to this Forty-Third Bond Resolution.

ARTICLE VI

REBATE FUND

Section 6.01. Rebate Fund. The Trustee if directed shall establish such Rebate Fund in connection with the Forty-Third Resolution Bonds as shall be directed in a System Order relating to any such Forty-Third Resolution Bonds and as provided in the Indenture. To the extent not inconsistent with the provisions of the Indenture, such System Order may restrict such Rebate Fund for use in connection with the Forty-Third Resolution Bonds or may permit the use of such Rebate Fund in connection with other series of Bonds hereafter issued under the Indenture. Deposits shall be made to, and disbursements may be made from, such Rebate Fund as provided in such System Order, to the extent not inconsistent with the provisions of the Indenture.

ARTICLE VII

ADDITIONAL PERMITTED INVESTMENTS

Section 7.01. Additional Permitted Investments. As permitted by clause (i) of the
definition of Permitted Investments of the Indenture, the following are added as Permitted Investments for the investment of the proceeds of the Forty-Third Resolution Bonds and all Funds established by this Resolution:

(a) Repurchase, resale and other similar agreements with any person provided (i) such agreements are continuously collateralized with Government Obligations, (ii) the market value of the collateral is not less than one hundred two percent (102%) of the repurchase price (including interest), (iii) the Trustee or a third party acting as agent or custodian of the collateral solely for the Trustee has possession of the collateral, (iv) the collateral is free and clear of all liens and encumbrances, (v) the Trustee shall be entitled to liquidate the collateral if the requirement of subclauses (i) and (ii) are not continuously satisfied and (vi) the Trustee shall have a first priority perfected security interest in the collateral;

(b) Investment agreements, the provider of which is rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) by two Rating Agencies; and

(c) Investment agreements issued by any provider:

(i) that is rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) of a Rating Agency, or

(ii) whose obligations under such investment agreements are unconditionally guaranteed by parent entities or other third parties that are rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) from a Rating Agency, or

(iii) who satisfies the rating requirements of clause (i) or (ii) above and whose obligations under such investment agreements are collateralized by obligations described in clauses (a), (b), (d) or (e) under the definition of “Permitted Investments” in the Indenture or in clauses (a) or (b) above of this Article VII and which are delivered to the Trustee, or registered in the name of the Trustee, or are supported by a safekeeping receipt issued by a depository satisfactory to the Trustee, provided that such investment agreements must provide that the value of such obligations collateralizing such investment agreements shall be maintained at a current market value (determined not more frequently than monthly) of not less than 102% of the aggregate amount of the obligations of such financial institution, insurance company or financial services firm;

provided, however, that any investment agreement, at the time it is entered into, must meet and comply with the requirements of clause (i), (ii) or (iii) above.
ARTICLE VIII

MISCELLANEOUS

Section 8.01. Supplemental Resolutions. The System may, without the consent of, or notice to, any of the Bondholders, enter into a resolution or resolutions supplemental hereto which shall not be inconsistent with the terms and provisions hereof, provided that, in the opinion of Counsel to the Trustee, the change effected thereby is not to the prejudice of the interests of the Trustee or the Bondholders as permitted by Section 13.01 of the Indenture.

Section 8.02. Limitation of Rights. With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Forty-Third Resolution Bonds is intended or shall be construed to give to any Person other than the System, the Trustee and the Holders of the Forty-Third Resolution Bonds, any legal or equitable right, remedy or claim under or in respect to this Resolution or any agreements, conditions and provisions herein contained; this Resolution and all of the agreements, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the System, the Trustee and the Holders of the Forty-Third Resolution Bonds as herein provided.

Section 8.03. Severability. If any provision of this Resolution shall be invalid, illegal or unenforceable because it conflicts with any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

Section 8.04. Immunity of Regents and Officers. No recourse for the payment of the principal of or premium (if any) or interest on, any Forty-Third Resolution Bond or for any claim based thereon or otherwise in respect thereof or of this Resolution shall be had against any member of the Board of Regents or officers or employees of the System whether past, present or future, whether by virtue of any constitution, statute or rule of law, all such liability (if any) being hereby expressly waived and released as a condition of and in consideration of the issuance of the Forty-Third Resolution Bonds.

Section 8.05. Private Use of the Projects. The System covenants that it will not make, or (to the extent the System exercises control or direction) permit to be made, any use of the Projects, or any portion thereof, by any other Person, if such use would cause those Forty-Third Resolution Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, unless the System and the Trustee receive an opinion of Bond Counsel to the effect that such use does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Forty-Third Resolution Bonds, if any.

Section 8.06. Sale of Forty-Third Resolution Bonds. As permitted by Title 19, the Board of Regents hereby finds and determines that the best interests of the System will be served by selling each issuance of the Forty-Third Resolution Bonds at either a public competitive sale or a private (negotiated) sale as the Chancellor of the System deems to be in the best interest of
the System at such prices, which may be at, above or below par, as the Chancellor of the System
deems to be in the best interest of the System. In the event that two bidders offer to purchase an
issue of the Forty-Third Resolution Bonds at the same lowest true interest cost at a public
competitive sale, the Chancellor of the System shall determine in his sole discretion to which of
the bidders such issue of the Forty-Third Resolution Bonds will be awarded. In the event of a
private (negotiated) sale the Chancellor of the System shall select the purchaser of such issue of
the Forty-Third Resolution Bonds which the Chancellor of the System deems to be in the best
interest of the System.

Section 8.07. **Official Statement.** There is hereby authorized to be prepared and
distributed, in conjunction with each issuance and sale of the Forty-Third Resolution Bonds, both
a preliminary and a final official statement (the "Official Statement"). The preliminary official
statement and the final official statement shall be in the form approved by either of the
Chairperson of the Board of Regents or the Chancellor of the System whose execution by either
of them shall be conclusive evidence of the approval thereof. The Chairperson of the Board of
Regents and the Chancellor of the System, acting jointly or individually, are hereby authorized to
execute by their manual or facsimile signatures and to deliver in the name of and on behalf of the
System the Official Statement regarding each issuance of the Forty-Third Resolution Bonds and
to deem the Official Statement as final for the purposes of Securities Exchange Act Rule 15c2-
12, as amended or supplemented from time to time, or any successor law, rule or regulation
(“Rule 15c2-12”).

Section 8.08. **Continuing Disclosure.** The Chairperson of the Board of Regents and the
Chancellor of the System, acting jointly or individually, are hereby authorized to enter into one
or more continuing disclosure agreements with respect to information contained in, or matters
relating to, the Official Statement for any Forty-Third Resolution Bonds and any other Bonds of
the System. Any person designated as an “Authorized System’s Representative” under the
Indenture is hereby authorized to prepare and file with the Municipal Securities Rulemaking
Board such financial or other information as may be required to comply with the requirements of
Rule 15c2-12, and to delegate the preparation and filing of any such information to any other
officer or employee of the System. The System’s bond counsel is also designated as an agent for
the System for purposes of preparing and filing any such information.

Section 8.09. **Absence of Chairperson or Chancellor.** If the Chairperson of the Board of
Regents is unable to act or unavailable for any reason, or such position is vacant, the Chairperson
of the Finance Committee of the Board of Regents is hereby authorized and empowered to act in
place of the Chairperson of the Board of Regents, and if the Chancellor of the System is unable
to act or unavailable for any reason, or such position is vacant, the Vice Chancellor for
Administration and Finance is hereby authorized and empowered to act in place of the
Chancellor of the System.

Section 8.10. **Further Actions.** The Chairperson of the Board of Regents, the
Chairperson of the Finance Committee, the Secretary and Assistant Secretary of the Board of
Regents of the System, the Chancellor of the System, and the Vice Chancellor for Administration
and Finance of the System and other officials of the System are hereby authorized and
empowered to do all acts and things and execute such instruments, documents and certificates
(including all necessary closing certificates) and otherwise take all action necessary, proper or expeditious in connection with each issuance, sale and delivery of the Forty-Third Resolution Bonds.

Section 8.11. **Validity of Signatures.** In the event any Regent or officer of the System who has executed any bond, document, certificate or other matter ceases to be a Regent or officer before delivery, the signature is valid and sufficient for all purposes as if the Regent or officer had remained in office until delivery.

Section 8.12. **Declaration of Official Intent.** Any person designated as an “Authorized System’s Representative” under the Indenture is hereby authorized to adopt a declaration of official intent (within the meaning of Treasury Regulations Section 1.150-2) to reimburse the costs of any project with the proceeds of any bonds or other obligations issued by the System under the authority of Title 19 or any other provision of the laws of Maryland.

Section 8.13. **Liberal Construction.** The terms of this Forty-Third Bond Resolution are not intended to be restrictive or technical. Accordingly, this Forty-Third Bond Resolution shall be liberally construed in order to carry out and effectuate the purposes set forth herein and in Title 19.

AND BE IT FURTHER RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT this Resolution shall be effective on the date of its adoption by the Board of Regents.

ADOPTED, this 17th day of June, 2021.
**TOPIC:** University System of Maryland: Official Intent Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 10, 2021

**SUMMARY:** The University System generally authorizes approximately $115 million annually in capital projects to be funded from revenue bond proceeds. Annual debt issuances are sized to provide about one year’s worth of bond proceeds for projected spending on revenue bond projects. Because of debt issuance timing and project estimates changing, the USM often uses Cash Funding to pay for project costs, with the intent of reimbursing itself with Bond Funds when they become available. IRS rules require this resolution for reimbursement of advance payments from future bond issuances.

Beginning in Fiscal Year 2021, the System implemented a policy of issuing 30-year debt (instead of the traditional 20-year), to fund Student Housing Projects authorized under USM Bond Resolutions. The System issued 30-year debt in February 2021 to cover the forecasted costs of the ongoing dormitory and associated dining hall projects. The projects progressed faster than anticipated and current forecasts show the available debt proceeds will be exhausted prior to the next bond issuance.

In the interim, System cash will be used to fund all Student Housing project expenses authorized for bond funding. The process and record-keeping infrastructure necessary to facilitate paying the project costs initially from System cash balances, then reimbursing the amounts spent from the proceeds of the next bond issue, have been formalized and are in place.

The attached Exhibit A represents the projects authorized for revenue bond funding which could potentially utilize System cash balances over the next several months. Based on the Current Project Authorization Balances in Exhibit A, we anticipate System cash will be spent on costs eligible for reimbursement prior to the next bond issuance.

**BOND COUNSEL:** Miles & Stockbridge P.C.

**ALTERNATIVE(S):** The Board could decide to not spend System cash balances temporarily pending the next bond issuance. This would potentially delay the projects.

**FISCAL IMPACT:** No fiscal impact is anticipated with this action.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the attached resolution to enable the spending of System cash balances on revenue bond-authorized projects to be reimbursed from the proceeds of the next bond issue.

**COMMITTEE RECOMMENDATION:**

**BOARD ACTION:**

**SUBMITTED BY:** Ellen Herbst (301) 445-1923
OFFICIAL INTENT RESOLUTION
UNDER TREASURY REGULATION SECTION 1.150-2

WHEREAS, University System of Maryland (the "Issuer") proposes to make certain capital expenditures in connection with the construction of certain capital projects as listed on Exhibit A attached hereto and made a part hereof (collectively, the "Capital Project").

WHEREAS, the Issuer intends to issue tax-exempt bonds (the "Bonds") to finance all or a portion of the purchase price, acquisition and installation expenses, costs of related construction and improvements and issuance costs of the Capital Project, all constituting capital expenditures (collectively referred to as the "Project Costs").

WHEREAS, the Issuer reasonably expects that a portion of the Project Costs will be paid by the Issuer prior to the issuance of the Bonds and that certain proceeds of the Bonds will be used to reimburse the Issuer for the Project Costs paid by the Issuer prior to the issuance of the Bonds.

NOW, THEREFORE, THE ISSUER MAKES THE FOLLOWING DECLARATION OF OFFICIAL INTENT:

1. BE IT RESOLVED, that the Issuer reasonably expects that a portion of the Project Costs will be paid by the Issuer prior to the issuance of the Bonds and that certain proceeds of the Bonds will be used to reimburse the Issuer for those Project Costs incurred and paid by the Issuer prior to the issuance of the Bonds. The Bonds will be issued in a total principal amount not to exceed $150,000,000.

2. BE IT FURTHER RESOLVED, that the Issuer intends that the adoption of this Resolution shall be and constitute an "official intent resolution" within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department.

AND BE IT FURTHER RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT this Resolution shall be effective on the date of its adoption by the Board of Regents.

ADOPTED, this 17th day of June, 2021

_________________________________
Ellen Herbst
Vice Chancellor for Administration and Finance
University System of Maryland
<table>
<thead>
<tr>
<th>Res</th>
<th>Type</th>
<th>Project Name</th>
<th>Original</th>
<th>Current Project</th>
<th>Balance to be</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Aux</td>
<td>BSU New Student Center</td>
<td>17,940,000.00</td>
<td>6,692.67</td>
<td>6,692.67</td>
<td>0.00</td>
</tr>
<tr>
<td>34</td>
<td>Acad</td>
<td>CSU New Science and Technology Center</td>
<td>10,000,000.00</td>
<td>91,469.57</td>
<td>91,469.57</td>
<td>0.00</td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>FSU Education &amp; Health Sciences</td>
<td>5,000,000.00</td>
<td>4,939,043.87</td>
<td>4,832,875.90</td>
<td>106,167.97</td>
</tr>
<tr>
<td>39</td>
<td>Aux</td>
<td>FSU Five Dorm Renovation</td>
<td>4,400,000.00</td>
<td>85,798.51</td>
<td>85,798.51</td>
<td>0.00</td>
</tr>
<tr>
<td>41</td>
<td>Aux</td>
<td>FSU New Residence Hall</td>
<td>13,330,000.00</td>
<td>12,667.42</td>
<td>12,667.42</td>
<td>0.00</td>
</tr>
<tr>
<td>43</td>
<td>Aux</td>
<td>FSU Residence Hall Renovations*</td>
<td>1,000,000.00</td>
<td>1,000,000.00</td>
<td>1,000,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>39</td>
<td>Aux</td>
<td>SU Guerrieri University Center Renovation</td>
<td>2,500,000.00</td>
<td>2,498,684.27</td>
<td>2,498,684.27</td>
<td>0.00</td>
</tr>
<tr>
<td>41</td>
<td>Aux</td>
<td>SU Real Property Acquisition &amp; New Housing Complex</td>
<td>92,500,000.00</td>
<td>92,491,803.38</td>
<td>92,491,803.38</td>
<td>0.00</td>
</tr>
<tr>
<td>32</td>
<td>Aux</td>
<td>TU Burdick PH 2 Air Conditioning</td>
<td>5,000,000.00</td>
<td>167,070.19</td>
<td>167,070.19</td>
<td>0.00</td>
</tr>
<tr>
<td>34</td>
<td>Aux</td>
<td>TU Burdick Renovation PH 3</td>
<td>13,500,000.00</td>
<td>152,680.66</td>
<td>152,680.66</td>
<td>0.00</td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>TU Glen Towers Addition and Renovation</td>
<td>20,513,000.00</td>
<td>20,513,000.00</td>
<td>20,513,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>43</td>
<td>Acad</td>
<td>TU Glen Towers Addition and Renovation*</td>
<td>20,000,000.00</td>
<td>20,000,000.00</td>
<td>20,000,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>32</td>
<td>Acad</td>
<td>TU Residences Halls Renovation</td>
<td>4,201,000.00</td>
<td>1,901,049.78</td>
<td>1,790,785.27</td>
<td>110,264.51</td>
</tr>
<tr>
<td>29</td>
<td>Aux</td>
<td>TU Residences Halls Renovations</td>
<td>1,400,000.00</td>
<td>3,357.53</td>
<td>3,357.53</td>
<td>0.00</td>
</tr>
<tr>
<td>37</td>
<td>Aux</td>
<td>TU Residences Tower Renovation</td>
<td>2,960,000.00</td>
<td>1,015.83</td>
<td>1,015.83</td>
<td>0.00</td>
</tr>
<tr>
<td>32</td>
<td>Acad</td>
<td>TU Student Housing - West Village PH II</td>
<td>35,000,000.00</td>
<td>2,605.33</td>
<td>2,605.33</td>
<td>0.00</td>
</tr>
<tr>
<td>38</td>
<td>Acad</td>
<td>TU Union Addition/Renovation</td>
<td>8,670,000.00</td>
<td>249,419.03</td>
<td>249,419.03</td>
<td>0.00</td>
</tr>
<tr>
<td>39</td>
<td>Acad</td>
<td>TU Union Addition/Renovation</td>
<td>39,000,000.00</td>
<td>240,877.81</td>
<td>240,877.81</td>
<td>0.00</td>
</tr>
<tr>
<td>40</td>
<td>Acad</td>
<td>TU Union Addition/Renovation</td>
<td>23,000,000.00</td>
<td>4,566,141.99</td>
<td>4,566,141.99</td>
<td>0.00</td>
</tr>
<tr>
<td>41</td>
<td>Acad</td>
<td>TU Union Addition/Renovation</td>
<td>13,000,000.00</td>
<td>5,090,952.93</td>
<td>5,090,952.93</td>
<td>0.00</td>
</tr>
<tr>
<td>27</td>
<td>Aux</td>
<td>TU West Village Dining Commons</td>
<td>3,400,000.00</td>
<td>7,489.11</td>
<td>7,489.11</td>
<td>0.00</td>
</tr>
<tr>
<td>29</td>
<td>Aux</td>
<td>TU West Village Dining Commons</td>
<td>34,000,000.00</td>
<td>309,995.32</td>
<td>309,995.32</td>
<td>0.00</td>
</tr>
<tr>
<td>28</td>
<td>Aux</td>
<td>TU West Village Parking Structure</td>
<td>30,000,000.00</td>
<td>5,851,476.08</td>
<td>5,851,476.08</td>
<td>0.00</td>
</tr>
<tr>
<td>25</td>
<td>Aux</td>
<td>UB New Student Center</td>
<td>4,200,000.00</td>
<td>41,777.99</td>
<td>41,777.99</td>
<td>0.00</td>
</tr>
<tr>
<td>35</td>
<td>Aux</td>
<td>UMB Elevator &amp; Fire Alarm Impr, Parking Garage</td>
<td>4,130,000.00</td>
<td>340,048.03</td>
<td>340,048.03</td>
<td>15,783.01</td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMB Facilities Renewal</td>
<td>10,268,103.00</td>
<td>47,770.62</td>
<td>47,770.62</td>
<td>0.00</td>
</tr>
<tr>
<td>43</td>
<td>Aux</td>
<td>UMB Satatoga Garage Structural and Bldg System Repair*</td>
<td>2,700,000.00</td>
<td>1,101,349.53</td>
<td>1,101,349.53</td>
<td>0.00</td>
</tr>
<tr>
<td>40</td>
<td>Acad</td>
<td>UMBC Interdisciplinary Life Science Building</td>
<td>5,000,000.00</td>
<td>2,628,945.80</td>
<td>2,628,945.80</td>
<td>93,192.14</td>
</tr>
<tr>
<td>Res</td>
<td>Type</td>
<td>Project Name</td>
<td>Original</td>
<td>Current Project</td>
<td>Balance to be FY2021</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------</td>
<td>--------------------------------------------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>----------------------</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Aux</td>
<td>UMBC New Health Services and Counseling Building</td>
<td>12,000,000.00</td>
<td>8,000,357.73</td>
<td>5,624,114.25</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Acad</td>
<td>UMBC New Performing Arts &amp; Humanities Facility</td>
<td>10,000,000.00</td>
<td>1,769,675.29</td>
<td>1,769,675.29</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Aux</td>
<td>UMBC Parking System Improvements</td>
<td>1,300,000.00</td>
<td>20,055.00</td>
<td>20,055.00</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Aux</td>
<td>UMBC Parking System Improvements</td>
<td>1,500,000.00</td>
<td>1,015,227.15</td>
<td>1,015,227.15</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Aux</td>
<td>UMBC Residence Hall Renovations/Additions</td>
<td>3,900,000.00</td>
<td>449,464.43</td>
<td>449,464.43</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Aux</td>
<td>UMBC Retriever Activities Center Renewal</td>
<td>13,100,000.00</td>
<td>2,658,652.25</td>
<td>4,598,570.89</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Aux</td>
<td>UMBC Student Recreation Fields &amp; Courts</td>
<td>500,000.00</td>
<td>500,000.00</td>
<td>500,000.00</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Acad</td>
<td>UMBC Utility Upgrades</td>
<td>2,346,000.00</td>
<td>2,199,550.10</td>
<td>2,199,550.10</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMCP Campuswide Building and Infrastructure</td>
<td>5,000,000.00</td>
<td>4,541,046.19</td>
<td>5,671,911.24</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMCP Chemistry Building Wing 2,3,5</td>
<td>7,760,000.00</td>
<td>2,088,088.76</td>
<td>5,671,911.24</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Aux</td>
<td>UMCP CSS and Residence Halls SCUB Expansion</td>
<td>300,000.00</td>
<td>3,874.50</td>
<td>3,874.50</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Aux</td>
<td>UMCP CSS and Residence Halls SCUB Expansion</td>
<td>2,250,000.00</td>
<td>1,947,473.48</td>
<td>1,947,473.48</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Aux</td>
<td>UMCP Dorchester Residence Hall Renovation</td>
<td>10,300,000.00</td>
<td>608,858.49</td>
<td>32,646.23</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Aux</td>
<td>UMCP Fraternity/Sorority Houses Renov PH 9</td>
<td>11,670,000.00</td>
<td>185,561.49</td>
<td>185,561.49</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Aux</td>
<td>UMCP Fraternity/Sorority Houses Renovation</td>
<td>10,430,000.00</td>
<td>922,512.73</td>
<td>922,512.73</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Aux</td>
<td>UMCP High Rise Residence Hall A/C</td>
<td>9,560,000.00</td>
<td>3,122,988.03</td>
<td>3,122,988.03</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Aux</td>
<td>UMCP High Rise Residence Hall SCUB</td>
<td>4,900,000.00</td>
<td>4,248,312.40</td>
<td>4,248,312.40</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Aux</td>
<td>UMCP High Rise Residence halls Reimbursement</td>
<td>1,500,000.00</td>
<td>1,500,000.00</td>
<td>1,500,000.00</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Aux</td>
<td>UMCP New Residence Hall</td>
<td>15,000,000.00</td>
<td>15,000,000.00</td>
<td>15,000,000.00</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Aux</td>
<td>UMCP North Campus Dining Hall</td>
<td>25,000,000.00</td>
<td>25,000,000.00</td>
<td>25,000,000.00</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMCP North Campus Dining Hall Replacement</td>
<td>9,780,000.00</td>
<td>1,762,259.68</td>
<td>8,017,404.32</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMCP Physics Building</td>
<td>3,360,000.00</td>
<td>2,199,855.14</td>
<td>1,160,144.86</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMCP Public Policy Building</td>
<td>23,550,000.00</td>
<td>19,455,888.17</td>
<td>4,094,111.83</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Aux</td>
<td>UMCP Replace Carrol, Caroline, Wicomico Halls, SCUB II Expansion</td>
<td>55,591,000.00</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Aux</td>
<td>UMCP Rossborough Lane Parking Garage</td>
<td>2,000,000.00</td>
<td>1,580,077.52</td>
<td>1,580,077.52</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Aux</td>
<td>UMCP Two New Residence Halls</td>
<td>26,500,000.00</td>
<td>5,671,525.91</td>
<td>20,828,474.09</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Aux</td>
<td>UMCP Two New Residence Halls</td>
<td>4,000,000.00</td>
<td>4,000,000.00</td>
<td>4,000,000.00</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Acad</td>
<td>UMES Flood Mitigation</td>
<td>1,008,000.00</td>
<td>535,314.38</td>
<td>77,066.32</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>UMES Flood Mitigation</td>
<td>10,000,000.00</td>
<td>9,990,058.01</td>
<td>5,915.38</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Aux</td>
<td>UMES Nuttle Hall Residence Renovation</td>
<td>800,000.00</td>
<td>800,000.00</td>
<td>800,000.00</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Acad</td>
<td>UMES Pharmacy and Health Professions</td>
<td>5,000,000.00</td>
<td>4,701,836.69</td>
<td>92,082.37</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Aux</td>
<td>UMES Wicomico Hall System Upgrade</td>
<td>1,500,000.00</td>
<td>1,045,430.55</td>
<td>1,045,430.55</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Acad</td>
<td>USG/UMB School of Nursing</td>
<td>3,230,000.00</td>
<td>3,230,000.00</td>
<td>3,230,000.00</td>
<td></td>
</tr>
<tr>
<td>Var</td>
<td>Acad</td>
<td>System Wide Facilities Renewal</td>
<td>169,005,103.00</td>
<td>60,669,393.00</td>
<td>7,195,460.00</td>
<td></td>
</tr>
</tbody>
</table>

* Pending Board Approval of the Forty-Third Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds As of 5/13/2021
**TOPIC:** Bowie State University: Facilities Master Plan Update

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:**
- June 10, 2021 (action)
- April 1, 2021 (presentation and information)

**SUMMARY:** Bowie State University (BSU) requests Board of Regents approval of the 2020 update to its Facilities Master Plan (FMP).

Bowie State University is in a rural setting centrally located on a scenic and serene wooded tract next to the City of Bowie, between the metropolitan areas of Baltimore (25 miles), Washington D.C. (17 miles), and Annapolis (15 miles). Established in 1865, BSU is the oldest of the four Historically Black Institutions of higher learning in the State of Maryland and the fifth oldest in the nation. Offering 23 undergraduate majors, 20 master’s degree programs, 14 specialty certificates and two doctoral programs in a variety of high-demand fields, BSU is one of 11 degree-granting institutions and one research center in the University System of Maryland (USM). The campus is comprised of 342 acres, with over 1.5 million gross square feet of academic and auxiliary space.

The University has followed the 2016 FMP. Since the previous Facilities Master Plan, dated July 2016, the University has undertaken several capital projects. Those include resurfacing parking lots, solar panel installations, roof replacements, Thurgood Marshall Library HVAC refurbishment, the LEED Platinum certified Center for Natural Sciences, Mathematics, and Nursing, and the Entrepreneurship Living Learning Community (ELLC) which is currently under construction. The Martin Luther King, Jr. Communication Arts and Humanities building is currently in design.

Bowie State University’s Facilities Master Plan update is based on the University’s mission and Strategic Plan, “Racing to Excellence.” The update addresses the accomplishments, needs and aspirations of Bowie State University, the projected enrollment growth, growing facility needs, and the constraints on budgets. The Plan acknowledges the fiscal realities of 2021 capital planning while keeping the needs of the institution as paramount, within the long-range vision. This FMP should be viewed as a fluid document that is a conceptual tool and guide for making decisions regarding Bowie State University’s physical resources.

The plan was developed through a collaborative effort on the campus that involved faculty, staff, student representatives, Prince George’s County, and the City of Bowie. It builds upon the University’s commitment to evolve into a more sustainable campus including incorporation of LEED standards for new and major renovation projects, greening of the campus and continual improvements to energy efficiency.

The Master Plan addresses the physical infrastructure to accommodate the growth in the changing character of the University and the deficit in quality academic facilities resulting from twenty years of no capital improvements between 1979 and 2000. The Plan gives particular attention to functional efficiency and aesthetics as it envisions a campus with continuing increasing needs for on campus housing. The needs of a rich and textured campus environment to also support student life are evident from the success of the Student Center, the Center for Natural Sciences, Mathematics and Nursing, the...
upcoming ELLC and MLK Communication Arts and Humanities Building, the proposed Wellness Center, Residence Halls, Thurgood Marshall Library Renovation, Public Safety and Communications Complex, and Facilities & Maintenance Building. With the future expansion of high-quality academic programs and an environment that welcomes all people, Bowie State University will fulfill the promise it holds for Maryland.

The FMP also acknowledges the current pandemic and its effect on operations of the University. The FMP includes a Post-Pandemic Scenario Planning Study which develops planning scenarios examining how the University may emerge through and out of the pandemic. The study is included as an appendix to the FMP.

Executive Summary


Full FMP Draft for Review


ALTERNATIVE(S): The FMP update documents BSU’s institutional long-term planning objectives and is consistent with the 2016 FMP, the University’s mission, strategic plan, academic plan, and current enrollment growth projections.

FISCAL IMPACT: The FMP Update will present a challenge to the capital and operating budgets to implement. Approval of the Plan Update 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.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend the Bowie State University Facilities Master Plan Update and materials as presented in April for approval by the Board of Regents at their upcoming meeting, in accordance with the Board’s two-step approval process. Approval of the Plan Update 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.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923
TOPIC: University System of Maryland: Correction to Fiscal Year 2022 Schedule of Self-Support Charges and Fees

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: The FY 2022 Schedule of Self-Support Charges and Fees approved by the Board of Regents on May 5, 2021 contained an error in a proposed rate for student parking at Coppin State University.

The current rate for FY 2021 is $68. The institution proposed to increase the rate by $3, or 4.4%. The FY 2022 rate on the schedule submitted to the Board in May should have stated $71, and not $70.

At this time, we are requesting that the Board approve the $3 rate increase as a correction to the schedule, as displayed on the attachment.

ALTERNATIVE(S): Any reduction in the “corrected” rate would require a corresponding adjustment to expenditures in order to maintain a balanced operating budget.

FISCAL IMPACT: The University's operating budget for parking services is based on the intended rate change.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the correction of the Coppin State University student parking rate to $71 as indicated above.

COMMITTEE RECOMMENDATION: 

BOARD ACTION: 

SUBMITTED BY: Ellen Herbst (301) 445-1923
### UNIVERSITY SYSTEM OF MARYLAND

**ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2022**

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>Change $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coppin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROOM AND BOARD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROOM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRIPLE</td>
<td>4,596</td>
<td>4,826</td>
<td>230</td>
<td>5.0%</td>
</tr>
<tr>
<td>DOUBLE</td>
<td>5,985</td>
<td>6,284</td>
<td>299</td>
<td>5.0%</td>
</tr>
<tr>
<td>SINGLE</td>
<td>6,274</td>
<td>6,588</td>
<td>314</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>BOARD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BRONZE ANYTIME DINING PLAN ($75 DINING $s)</td>
<td>4,364</td>
<td>4,539</td>
<td>175</td>
<td>4.0%</td>
</tr>
<tr>
<td>SILVER ANYTIME DINING PLAN ($150 DINING $s)</td>
<td>4,546</td>
<td>4,728</td>
<td>182</td>
<td>4.0%</td>
</tr>
<tr>
<td>GOLD ANYTIME DINING PLAN ($200 DINING $s)</td>
<td>4,670</td>
<td>4,857</td>
<td>187</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>PARKING FEE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STUDENTS</td>
<td>68</td>
<td>71</td>
<td>3</td>
<td>4.4%</td>
</tr>
</tbody>
</table>
TOPIC: Proposed Amendments to USM Policy VII-8.05 – Policy on Professional Conduct of Nonexempt and Exempt Staff Employees

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: Amendments are proposed to the “Policy on Professional Conduct of Nonexempt and Exempt Staff Employees” to prohibit workplace bullying and update certain sections of the policy to keep pace with Maryland law, including the relevant Governor’s executive order. The title of the policy will change to “Policy on Professional Conduct and Workplace Bullying.”

These recommended revisions are an outgrowth of a subcommittee of the Systemwide Human Resources Committee that examined the issue of workplace bullying. Prohibited workplace bullying is defined under the amendments as “intentionally engag[ing] in persistent, severe or pervasive behavior toward another employee that a reasonable employee would find malicious, degrading, intimidating or threatening.” The policy provides examples of prohibited conduct, which include cyberbullying. The amendments also address behavior that would not be considered workplace bullying—for example, a supervisor’s legitimate comments to an employee regarding their work performance. Finally, the amendments do not require that institutions create a particular complaint procedure, but state that failure to comply with the policy may result in disciplinary action.

The proposed changes to this staff policy have been reviewed through the shared governance process and approved for legal form and sufficiency by the Maryland Office of the Attorney General.

A red-lined version is attached that shows the proposed changes from the current policy. A “clean” version of the proposed policy incorporating the amendments is also attached.

ALTERNATIVE(S): The Board could choose to reject these changes and continue with the current policy.

FISCAL IMPACT: There are no expected costs.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed revisions to USM Policy VII-8.05 – Policy on Professional Conduct of Nonexempt and Exempt Staff Employees, as submitted.

COMMITTEE RECOMMENDATION: SUBMITTED BY: Ellen Herbst (301) 445-1923
VII-8.05 POLICY ON PROFESSIONAL CONDUCT OF NONEXEMPT AND EXEMPT STAFF EMPLOYEES AND WORKPLACE BULLYING

(Approved by the Board of Regents on October 9, 2015; Amended June 16, 2017; Amended ...)

I. PURPOSE AND APPLICABILITY

This policy establishes expectations for the conduct of Regular and Contingent Nonexempt and Exempt staff employees. Failure to comply with these expectations may result in disciplinary action.

II. GENERAL STANDARDS OF CONDUCT

A. Employees shall exhibit integrity and exemplary conduct and use honest efforts in the performance of their duties.

B. Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the Institution or the University System of Maryland Office (USMO).

C. Employees shall act impartially and not give preferential treatment to any private organization or individual.

D. Employees shall protect and conserve State property and shall not use it for other than authorized activities.

E. Employees shall satisfy in good faith their civic and legal obligations as citizens, including all just financial obligations, including federal, state, or local taxes that are imposed by law.

F. Consistent with all applicable laws, all employees shall be treated with dignity and respect and shall not be discriminated against on the basis of Employees shall adhere to all applicable laws and regulations that provide equal opportunity regardless of race, ethnicity, color, religion, sex, national origin, age, disability, gender identity or expression, sexual orientation, marital status, genetic information, veteran’s status or any other applicable legally-protected characteristic.

G. Employees shall conduct intra-agency and interagency relations predicated upon with civility, collaboration, and cooperation. These same principles shall apply to interactions with officials and employees of the legislative and judicial branches.
III. CONFLICTS OF INTEREST

Consistent with the State Maryland Public Ethics Laws, Md. Code Ann. Annotated Code of Maryland, General Provisions Article, Title 5:

A. Employees shall not hold financial interests that conflict with the conscientious performance of their duties.

B. An employee Employees shall not, except as permitted by applicable law or regulation, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee’s agency, their institution, another USM institution, or the USMO, or whose interests may be substantially affected by the performance or nonperformance of the employee’s duties.

C. Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.

D. Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, which conflict with official Government duties and responsibilities of their position.

E. Employees shall endeavor to avoid any actions creating the appearance that they are of any impropriety or violating applicable law or the ethical standards in applicable regulations.

F. Upon leaving state service, USM employees shall be bound by the restrictions of the Annotated Code of Maryland, General Provisions Article, § Section 5-504, with respect to lobbying and other forms of representation.

G. Each institution and the USMO shall provide training regarding all applicable provisions of the Maryland Public Ethics Law (1) to all staff and administrators appointed at the level of director or above within six months of such appointment and (2) to all existing staff and administrators serving at the level of director or above at least once every five years. Online training provided by the Maryland State Ethics Commission for individuals who file financial disclosure statements may be substituted for the initial training required under this Policy.

IV. BULLYING IN THE WORKPLACE OR IN THE COURSE OF EMPLOYMENT

Employees shall not intentionally engage in persistent, severe or pervasive behavior toward another employee that a reasonable employee would find malicious, degrading, intimidating or threatening. Below are examples of conduct that would be considered bullying when this standard is met. A manager’s legitimate, justified conduct related to supervising a subordinate shall not be considered bullying.

A. Employees shall treat others with dignity, respect and professionalism and shall not promote or create working environments that foster workplace bullying.

B. Employees shall not personally attack or insult an individual through angry outbursts, repeated use of profanity, name-calling or offensive nicknames.
C. Employees shall not publicly humiliate other individuals.

D. Employees shall not encourage other individuals to ostracize another individual.

E. Employees shall not sabotage, undermine or intentionally interfere with the work of another individual, including knowingly making false statements about another employee’s performance of their duties.

F. Employees shall not make threats to abuse another individual or an individual’s property or intentionally cause harm or damage to that property.

G. Employees shall not make repeated threats about an individual’s job security without a valid basis or foundation for doing so. Employees shall not repeatedly taunt another employee about their job performance or job security.

H. Employees shall not engage in “cyberbullying.” Cyberbullying includes sending, posting, or sharing defamatory or threatening content or engaging in unlawful harassment, which targets another employee via social media or through the use of digital devices. This includes publicly sharing via social media or digital devices private information about another employee, obtained through employment, to cause harm, humiliation, and/or embarrassment to that employee.

I. The following examples shall not be considered bullying behavior:

1. Disciplinary action taken in accordance with applicable law or policy;
2. Routine employee coaching or counseling, including feedback about and correction of work performance or conduct;
3. Exercising management’s prerogative to appoint, promote, transfer, or reassign an employee, to direct or assign work, and to determine the methods and means by which the unit’s functions will be carried out;
4. Individual differences in style of personal expression, provided that the expression is not intended to intimidate; and
5. Differences of opinion on work-related concerns.

IV. POLITICAL ACTIVITY

Consistent with the Annotated Code of Maryland, Md. Code Ann. State Personnel and Pensions Article, Section 2-304:

A. Employees have the right to participate freely in any political activity and express any political opinion.

B. Employees may not be required to provide any political service or make a political contribution.

C. Employees An employee may not:

1. Engage in political activity on the job during working hours;
2. Use institution or USMO resources to advance their employee’s political activities; or
3. Advocate the overthrow of the government by unconstitutional or violent means.
VI. REPORTING REQUIREMENTS

A. Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities. To make such reports, employees may access the resources and procedures for confidential disclosure of misconduct set forth in the following USM policies:

1. VII-2.30 Policy on Employee and Applicant Disclosure of Misconduct for Nonexempt and Exempt Staff Employees and Applicants for USM Staff Positions
2. VIII-7.10 Policy on Reporting Suspected or Known Fiscal Irregularities
3. VIII-7.11 Policy on the Communication of Suspected Fraud, Unethical & Illegal Business Activities

B. All institutions and the USMO shall immediately refer to the Institution’s or the USMO’s Assistant Attorney General or to the Deputy Attorney General with supervisory responsibility for the Attorney General’s Criminal Investigations Division, any instance of possible criminal or unethical conduct by any employee or contractor of this State, for such actions as the Office of the Attorney General deems appropriate. The institution or USMO shall advise the Chief Legal Counsel to the Governor of any such referrals.

C. Employees are required to report to their department or unit head any arrest of the employee and any aspect of each legal proceeding in which an employee is involved, as a party or otherwise, if the arrest or legal proceeding affects, or reflects on, the employee’s job fitness or performance.

IMPLEMENTATION PROCEDURES

Each President and the Chancellor shall identify his/her designee(s) as appropriate for this policy, develop procedures as necessary to implement this policy, communicate this policy and applicable procedures to the USMO or his/her Institutional community, and post it on its institutional and the USMO’s website.

REFERENCE:
Governor’s Executive Order 01.01.200715.048 Standards of Conduct for Executive Branch Employees and Reporting of Misconduct
USM Bylaws, Policies and Procedures of the Board of Regents

VII-8.05 POLICY ON PROFESSIONAL CONDUCT AND WORKPLACE BULLYING

(Approved by the Board of Regents on October 9, 2015; Amended June 16, 2017; Amended ___.)

I. PURPOSE AND APPLICABILITY

This policy establishes expectations for the conduct of Regular and Contingent Nonexempt and Exempt staff employees. Failure to comply with these expectations may result in disciplinary action.

II. GENERAL STANDARDS OF CONDUCT

A. Employees shall exhibit exemplary conduct and use honest efforts in the performance of their duties.

B. Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the Institution or the University System of Maryland Office (USMO).

C. Employees shall act impartially and not give preferential treatment to any private organization or individual.

D. Employees shall protect and conserve State property and shall not use it for other than authorized activities.

E. Employees shall satisfy in good faith their civic and legal obligations including federal, state, or local taxes that are imposed by law.

F. Employees shall adhere to all applicable laws and regulations that provide equal opportunity regardless of race, ethnicity, color, religion, sex, national origin, age, disability, gender identity or expression, sexual orientation, marital status, genetic information, veteran’s status or any other applicable legally-protected characteristic.

G. Employees shall conduct intra-agency and interagency relations with civility, collaboration, and cooperation. These same principles shall apply to interactions with officials and employees of the legislative and judicial branches.

III. CONFLICTS OF INTEREST

Consistent with Maryland Public Ethics Laws, Annotated Code of Maryland, General Provisions Article, Title 5:

A. Employees shall not hold financial interests that conflict with the conscientious performance of their duties.
B. Employees shall not, except as permitted by applicable law or regulation, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by their institution, another USM institution, or the USMO, or whose interests may be substantially affected by the performance or nonperformance of the employee’s duties.

C. Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.

D. Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, which conflict with the duties and responsibilities of their position.

E. Employees shall endeavor to avoid any actions creating the appearance of any impropriety or violating applicable law or the ethical standards in applicable regulations.

F. Upon leaving state service, USM employees shall be bound by the restrictions of the Annotated Code of Maryland, General Provisions Article, Section 5-504, with respect to lobbying and other forms of representation.

G. Each institution and the USMO shall provide training regarding all applicable provisions of the Maryland Public Ethics Law to all staff and administrators appointed at the level of director or above within six months of such appointment and at least once every five years. Online training provided by the Maryland State Ethics Commission for individuals who file financial disclosure statements may be substituted for the initial training required under this Policy.

IV. BULLYING IN THE WORKPLACE OR IN THE COURSE OF EMPLOYMENT

Employees shall not intentionally engage in persistent, severe or pervasive behavior toward another employee that a reasonable employee would find malicious, degrading, intimidating or threatening. Below are examples of conduct that would be considered bullying when this standard is met. A manager’s legitimate, justified conduct related to supervising a subordinate shall not be considered bullying.

A. Employees shall treat others with dignity, respect and professionalism and shall not promote or create working environments that foster workplace bullying.

B. Employees shall not personally attack or insult an individual through angry outbursts, repeated use of profanity, name-calling or offensive nicknames.

C. Employees shall not publicly humiliate other individuals.

D. Employees shall not encourage other individuals to ostracize another individual.

E. Employees shall not sabotage, undermine or intentionally interfere with the work of another individual, including knowingly making false statements about another employee’s performance of their duties.
F. Employees shall not make threats to abuse another individual or an individual’s property or intentionally cause harm or damage to that property.

G. Employees shall not make repeated threats about an individual’s job security without a valid basis or foundation for doing so. Employees shall not repeatedly taunt another employee about their job performance or job security.

H. Employees shall not engage in “cyberbullying.” Cyberbullying includes sending, posting, or sharing defamatory or threatening content or engaging in unlawful harassment, which targets another employee via social media or through the use of digital devices. This includes publicly sharing via social media or digital devices private information about another employee, obtained through employment, to cause harm, humiliation, and/or embarrassment to that employee.

I. The following examples shall not be considered bullying behavior:

   1. Disciplinary action taken in accordance with applicable law or policy;
   2. Routine employee coaching or counseling, including feedback about and correction of work performance or conduct;
   3. Exercising management’s prerogative to appoint, promote, transfer, or reassign an employee, to direct or assign work, and to determine the methods and means by which the unit’s functions will be carried out;
   4. Individual differences in style of personal expression, provided that the expression is not intended to intimidate; and
   5. Differences of opinion on work-related concerns.

IV. POLITICAL ACTIVITY

Consistent with the Annotated Code of Maryland, State Personnel and Pensions Article, Section 2-304:

A. Employees have the right to participate freely in any political activity and express any political opinion.

B. Employees may not be required to provide any political service or make a political contribution.

C. Employees may not:

   1. Engage in political activity on the job during working hours;
   2. Use institution or USM resources to advance their political activities; or
   3. Advocate the overthrow of the government by unconstitutional or violent means.

VI. REPORTING REQUIREMENTS

A. Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities. To make such reports, employees may access the resources and procedures for confidential disclosure of misconduct set forth in the following USM policies:
1. VII-2.30 Policy on Employee and Applicant Disclosure of Misconduct for Nonexempt and Exempt Staff Employees and Applicants for USM Staff Positions
2. VIII-7.10 Policy on Reporting Suspected or Known Fiscal Irregularities
3. VIII-7.11 Policy on the Communication of Suspected Fraud, Unethical & Illegal Business Activity

B. All institutions and the USMO shall immediately refer to the Institution’s or the USMO’s Assistant Attorney General or to the Deputy Attorney General with supervisory responsibility for the Attorney General’s Criminal Investigations Division, any instance of possible criminal or unethical conduct by any employee or contractor of this State, for such actions as the Office of the Attorney General deems appropriate. The institution or USMO shall advise the Chief Legal Counsel to the Governor of any such referrals.

C. Employees are required to report to their department or unit head any arrest of the employee and any legal proceeding in which an employee is involved, as a party or otherwise, if the arrest or legal proceeding affects, or reflects on, the employee’s job fitness or performance.

IMPLEMENTATION PROCEDURES

Each President and the Chancellor shall identify his/her designee(s) as appropriate for this policy, develop procedures as necessary to implement this policy, communicate this policy and applicable procedures to the USMO or his/her Institutional community, and post it on its institutional and the USMO’s website.

REFERENCE:
Governor’s Executive Order 01.01.2015.08 Standards of Conduct for Executive Branch Employees and Reporting of Misconduct
TOPIC: Proposed FY 2022 Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation

COMMITTEE: Finance

DATE OF MEETING: June 10, 2021

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 concerning the University of Maryland Medical Center (UMMC).

Section 13-306 requires that the annual contract be submitted to the Board of Regents, upon recommendation of the UMB president, for consideration, any modification, and approval. The contract text has been reviewed by the Office of the Attorney General for form and legal sufficiency.

At this time, the Board is asked to approve the Annual Contract for FY 2022 incorporating the financial information for FY 2022 reflected in the attached schedule of payments of UMMS and UMB to one another in Fiscal Years 2020, 2021 and 2022. For FY 2022, there is a net increase of $14,200,399 in UMMS compensation to UMB. Adjustments relate to variations in service needs of UMMC and the University of Maryland Medical Center Midtown Campus (“Midtown”), and adjustments to fringe benefit rates for UMB salaries in FY 2022.

The majority of faculty services reflected in the contract are provided at UMMC facilities at the UMB campus. The contract also includes compensation for School of Medicine faculty services at Midtown.

In addition to compensation for faculty services, the School of Medicine will receive approximately $3.1 million from UMMS in mission support. The mission support is referenced in Article XII and Schedule 7 of the Annual Contract for FY 2022. The mission support payment is set by UMMS and UMSOM and is expected to vary from year to year. In FY 2022, $3.1 million will be paid to UMSOM and used for UMSOM and UMMC academic and clinical initiatives.

ALTERNATIVE(S): An Annual Contract incorporating the information in the attached schedule is recommended by the President of UMB, the Dean of the School of Medicine, the President of UMMS and the Chancellor. In accordance with Section 13-306, the Committee could postpone action and recommend that the Regents and Directors appoint a joint committee to review the proposed contract. This is not recommended, as UMB and UMMS have agreed upon contract terms.

FISCAL IMPACT: The fiscal impact of the Annual Contract is as specified in the attached schedule. Subject to adjustments as discussed in the text of the Annual Contract, it results in a net fund transfer from UMMS to UMB of $168,390,763 in FY 2022.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend the Board of Regents authorize the President of UMB to execute the Annual Contract for FY 2022.
<table>
<thead>
<tr>
<th>COMMITTEE RECOMMENDATION:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOARD ACTION:</td>
<td>DATE:</td>
</tr>
<tr>
<td>SUBMITTED BY: Ellen Herbst</td>
<td>(301) 445-1923</td>
</tr>
</tbody>
</table>
## PAYMENTS UNDER 
FY 2020, FY 2021, and FY 2022 ANNUAL CONTRACTS 
BETWEEN UMB AND UMMS 

<table>
<thead>
<tr>
<th>Payments to UMB</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>$1,179,341</td>
<td>$2,578,473</td>
<td>$2,552,417</td>
</tr>
<tr>
<td><strong>Faculty Services:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School of Medicine (including Trauma)</td>
<td>146,416,942</td>
<td>$155,036,448</td>
<td>$166,480,747(^1)</td>
</tr>
<tr>
<td>School of Pharmacy</td>
<td>$1,490,817</td>
<td>$1,673,899</td>
<td>$1,592,807</td>
</tr>
<tr>
<td>School of Dentistry</td>
<td>$590,773</td>
<td>$588,583</td>
<td>$600,629</td>
</tr>
<tr>
<td>Mission Support for SOM</td>
<td>N/A</td>
<td>N/A</td>
<td>$3,100,000</td>
</tr>
</tbody>
</table>

### Payments to UMMS 

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space Charge</td>
<td>($1,157,304)</td>
<td>($1,157,304)</td>
<td>($1,157,304)</td>
</tr>
<tr>
<td>Fringe Benefit Adjustment(^3)</td>
<td>($4,529,735)</td>
<td>($4,529,735)</td>
<td>($4,778,533)</td>
</tr>
<tr>
<td>NET TO UMB</td>
<td>143,990,834</td>
<td>$154,190,364</td>
<td>$168,390,763</td>
</tr>
</tbody>
</table>

\(^1\) For Fiscal Year 2022, $39,621,598 of this School of Medicine support is designated as seed support. Continuation of that seed support in FY2023 and later years is subject to annual negotiation. The School of Medicine support does not include additional funds UMMS expects to provide to support salaries of physicians who are recruited during Fiscal Year 2022 to new positions supported by UMMS.

\(^2\) The SOM payments for faculty services are calculated using the standard UMB faculty fringe benefit rate. The effective fringe benefit rate for School of Medicine faculty is lower than the campus standard or average rate. SOM will adjust the fringe benefit payment to UMMC to obtain a UMMC payment closer to actual cost than would result if the full fringe benefit rate were charged. For FY22, the adjustment is $4,778,533.
# MEDICAL SYSTEM AGREEMENT
FOR FISCAL YEAR ENDING JUNE 30, 2022

## TABLE OF CONTENTS

**ARTICLE I.** DEFINITIONS .............................................................................................................................................. 1  
**ARTICLE II.** COOPERATION IN ACADEMIC PROGRAMS.............................................................................................. 5  
**ARTICLE III.** UNIVERSITY ADMINISTRATIVE SERVICES TO UMMC ................................................................. 8  
  A. Personnel Services .......................................................................................................................................................... 8  
  B. University Administrative Services ............................................................................................................................ 8  
  C. Department of Environmental Health and Safety .......................................................................................................... 9  
  D. Changes in Level of Administrative Services ........................................................................................................... 9  
  E. University of Maryland Identity Program. .................................................................................................................... 10  
**ARTICLE IV.** UNIVERSITY FACULTY SERVICES TO UMMC AND MIDTOWN ...................................................... 11  
  A. Medical School Faculty .................................................................................................................................................. 11  
  B. School of Pharmacy Services ....................................................................................................................................... 14  
  C. School of Dentistry Faculty ........................................................................................................................................ 18  
  D. School of Nursing Faculty ............................................................................................................................................ 20  
**ARTICLE V.** COMPENSATION FOR USE OF SPACE ...................................................................................................... 21  
**ARTICLE VI.** PERSONNEL MATTERS ........................................................................................................................... 22  
**ARTICLE VII.** ASSUMPTION OF LIABILITIES; INSURANCE .......................................................................................... 26  
**ARTICLE VIII.** MEDICAL STAFF .................................................................................................................................... 29  
**ARTICLE IX.** ENDOWMENTS .......................................................................................................................................... 30  
**ARTICLE X.** ADMINISTRATIVE MATTERS ................................................................................................................... 31  
**ARTICLE XI.** SUBSIDIARIES ............................................................................................................................................ 37  
  A. Definitions ....................................................................................................................................................................... 37  
  B. Conditions Applicable to All Subsidiaries ....................................................................................................................... 37  
  C. Existing Subsidiaries and Special Provisions .................................................................................................................. 38
ARTICLE XII OTHER AGREEMENTS

SCHEDULES

SCHEDULE 1 PAYMENT TO UMB FOR ADMINISTRATIVE SERVICES

SCHEDULE 2 SCHOOL OF MEDICINE FACULTY SERVICES PAYMENTS
   2A Base Payments from UMMC
   2B Seed Payments from UMMC
   2C Midtown Payments

SCHEDULE 3 PHARMACY SCHOOL UMMC PAYMENTS

SCHEDULE 4 DENTAL SCHOOL UMMC PAYMENTS

SCHEDULE 5 COMPENSATION FOR SPACE USAGE WITHIN OTHER PARTY’S FACILITIES

SCHEDULE 6 UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION SUBSIDIARIES

SCHEDULE 7 MISSION SUPPORT AGREEMENT EXHIBIT A AND EXHIBIT B FOR OCTOBER 2021

EXHIBITS

EXHIBIT A MEDICAL SYSTEM CORPORATION PRE-CLINICAL EDUCATION REQUIREMENTS

EXHIBIT B FACILITIES MANAGEMENT (OPERATIONS AND MAINTENANCE), MAIL SERVICES AND POLICE DEPARTMENT

EXHIBIT C UMB ENVIRONMENTAL HEALTH AND SAFETY (EHS)
   PART 1 UMMC SERVICES
   PART 2 MIDTOWN SERVICES
MEDICAL SYSTEM AGREEMENT
FOR FISCAL YEAR ENDING JUNE 30, 2022

This Agreement is made as of July 1, 2021, between the University System of Maryland, a public corporation and an agency of the State of Maryland, and the University of Maryland Medical System Corporation, a private, nonprofit, nonstock corporation organized under the laws of the State of Maryland which assumed ownership of and management responsibility for the University of Maryland Medical System (as then defined in the law) on July 1, 1984.

RECITALS

The University of Maryland, Baltimore ("UMB"), a public university that is part of the University System of Maryland ("University"), includes accredited Schools of Medicine, Pharmacy, Law, Dentistry, Nursing, and Social Work ("Schools"). The University of Maryland Medical System Corporation owns and operates the University of Maryland Medical Center ("UMMC"), formerly a division of the University of Maryland, Baltimore providing patient care services. UMMC and the Schools have long-standing, historic associations and enjoy close, cooperative and effective working relationships. Together they seek to realize the statutory purposes set forth in Title 13, Subtitle 3, Education Article, Annotated Code of Maryland (2018 Repl. Vol.), authorizing the creation of the University of Maryland Medical System Corporation and its subsidiary University of Maryland Medical Center LLC.

This Agreement is intended by the parties to serve as the annual contract mandated by Section 13-306 of the Medical System Law (defined below) for fiscal year 2022. Toward this end, and in consideration of the mutual covenants and agreements set forth in this Agreement, the University System of Maryland and the University of Maryland Medical System Corporation agree as follows:

TERMS

ARTICLE I. DEFINITIONS

In this Agreement, the following words have the meanings indicated:

A. "2021 Agreement" means the Annual Contract between the parties for the fiscal year ending June 30, 2021.
B. "2022 Agreement" means this Annual Contract between the parties for the fiscal year ending June 30, 2022.

C. "Annual Contract" means the agreement between USM and the Medical System Corporation required by the Medical System Law, stating all financial obligations, exchanges of services, and any other agreed relationships between USM and UMMC for the ensuing fiscal year, and identifying the services to be provided and the agreed cost of such services.

D. "Board of Directors" means the Board of Directors of the Medical System Corporation.

E. "Board of Regents" means the Board of Regents of USM.

F. "CEO/UMMC" means the person serving as Chief Executive Officer of UMMC.

G. "Chancellor" means the Chancellor of USM.

H. "Fiscal Year" means the Fiscal Year ending June 30, 2022.

I. “Medical Center LLC” means University of Maryland Medical Center, LLC, a nonprofit subsidiary established by the Medical System Corporation as provided in Section 13-303(k) of the Education Article of the Annotated Code of Maryland.

J. "Medical System Assets" means all assets allocated to the Medical System as shown on the financial statements of the Medical System at the Transfer Date and as more particularly or additionally identified or supplemented by the Board of Regents and approved by the Board of Public Works and transferred to the Medical System Corporation upon its establishment in 1984, including (except as limited by the terms of the documents of transfer approved by the Board of Public Works) all related land and buildings and funds deposited with the State Treasurer.

K. "Medical System CEO" means the person elected Chief Executive Officer of the Medical System Corporation by its Board of Directors.

L. "Medical System Corporation" means University of Maryland Medical System Corporation, a private, nonprofit, nonstock corporation formed under the general corporation laws of this State. Its assets include, without limitation, UMMC, as defined in definition X below.

M. "Medical System Law" means Chapter 288 of the Laws of Maryland of 1984, which is codified (in part) in Title 13, Subtitle 3, Education Article, Annotated Code of Maryland.
N. "Medical System Liabilities" means all liabilities allocated to the Medical System Corporation as shown on the financial statements of the Medical System Corporation at the Transfer Date.

O. "Medical System University Personnel" means those employees of the University assigned in the Medical System who were offered positions as UMMC Employees as of the Transfer Date, but elected not to accept them. The parties anticipate that by June 30, 2025, there will no longer be Medical System University Personnel among the UMMC Personnel. At such time, or earlier if so agreed by the parties, this definition will be removed from this Agreement.

P. "Midtown" means the hospital in Baltimore City owned by the Medical System Corporation through its subsidiary, University of Maryland Medical Center Midtown Health, Inc. Midtown is operated and licensed as a health care facility independent of UMMC, and is known as the “UMMC Midtown Campus”.

Q. "President" means the President of the University.

R. "School of Dentistry" means the University of Maryland School of Dentistry.

S. "School of Medicine" means the University of Maryland School of Medicine.

T. "School of Nursing” means the University of Maryland School of Nursing.

U. "School of Pharmacy" means the University of Maryland School of Pharmacy.

V. "Shock Trauma Center" means the R Adams Cowley Shock Trauma Center of the Medical System Corporation.

W. "Transfer Date" means July 1, 1984, the date of transfer of Medical System Assets determined by the Board of Public Works and filed with the Secretary of State and the Department of Legislative Reference.

X. "UMMC" means the licensed health care facility owned and operated by the Medical System Corporation at or adjacent to the University campus, including the health care delivery components of University Hospital, the Greenebaum Comprehensive Cancer Center (the current name of the University Cancer Center referred to in the Medical System Law) and the Shock Trauma Center. UMMC does not include health care delivery components owned or controlled by the Medical System Corporation that were not named in the Medical System Law.
Y. "UMMC Employees" means employees of UMMC, including without limitation employees of the Medical Center LLC and employees of Midtown as referred to in Article VI.

Z. "UMMC Personnel" means both Medical System University Personnel and UMMC Employees.

AA. "University" means the University of Maryland, Baltimore.

BB. “USM” means the University System of Maryland.

[THIS AREA INTENTIONALLY BLANK]
ARTICLE II. COOPERATION IN ACADEMIC PROGRAMS

A. Consistent with their educational missions, the University and UMMC will cooperate in the planning and administration of health professions academic programs at the University and UMMC, including both clinical education and clinical research, and the graduate medical education programs sponsored by UMMC. Academic programs may be extended to Midtown by the parties’ agreement.

B. Existing affiliations between UMMC and the health professions schools of the University for the conduct of academic programs of the schools will be continued under the direction of the CEO/UMMC, the President, and the deans of the respective schools. Affiliation agreements between UMMC and the schools may be developed by UMMC and the University as required for accreditation of the schools’ degree programs or UMMC’s graduate medical education programs. Affiliation agreements will be modified as appropriate to reflect any co-location of programs at Midtown or transfer of programs to Midtown.

C. Affiliations between the schools of the University and health care institutions other than UMMC will be coordinated with the academic programs of the University at UMMC and with UMMC graduate medical education programs.

D. All actions of the parties with respect to academic programs and affiliations shall be consistent with applicable accreditation requirements for UMMC’s facilities, University academic programs, and UMMC’s graduate medical education programs in terms of both curriculum requirements and standards for patient care. In addition, the parties agree that they will cooperate with respect to implementing their respective policies regarding sexual harassment and sexual misconduct, which include, but are not limited to, policies addressing Title IX of the Education Amendments of 1972, as amended, and Title VII of the Civil Rights Act of 1964, as amended. More specifically, each party agrees to notify the other promptly upon becoming aware of any allegation of sexual harassment or sexual misconduct against, or by, a representative or affiliate of the other. In the case of UMB, representatives or affiliates includes any student, any faculty or staff personnel, and any third parties or contractors under UMB’s control. In the case of UMMC, representatives or affiliates includes any employee, any volunteer, and any contractor or its employees, and any medical or professional staff who are not UMB personnel. Each party agrees to cooperate with the other regarding investigations of possible sexual harassment or sexual misconduct at UMMC facilities or elsewhere involving individuals in the categories described above. Each party will support the other in taking steps to end any sexual misconduct or sexual harassment, prevent its recurrence and address its effects. Each party will provide the other with information about applicable policies, and the parties will work together to provide appropriate training and educational materials for their respective constituencies.
E. Information related to changes in University academic programs or UMMC or Midtown patient care activities that would affect the budget or operations of the other party shall be provided in advance of the planned changes. After discussion between the President and the CEO/UMMC, planning for the implementation of any changes will be coordinated by appropriate University and UMMC personnel, as specified by the President and the CEO/UMMC.

F. The University will provide to UMMC information about faculty proposals for clinical research to be conducted in UMMC or Midtown facilities. This information will be provided in a timely manner so that UMMC may evaluate the operational and financial implications of the proposed clinical research and confirm that services required for the research may be provided by UMMC or Midtown. UMMC’s evaluation will be completed in a timely manner so as to avoid delay of the University approval processes. UMMC and the University will maintain appropriate business processes to guide the accurate billing of services delivered in conjunction with clinical research protocols.

G. Annually, the University will provide to UMMC information about any professional liability insurance acquired by the University, or provided by the State of Maryland, to provide coverage for University students and/or faculty that would be applicable to incidents arising from educational or research activities conducted by the University at UMMC or Midtown.

H. Prior to assigning students to UMMC for clinical experience or training, the University will provide those students with training, orientation, and immunizations as required by UMMC for health care workers, as applicable, and will require students to present evidence of health insurance. In the event UMMC believes that the University is not providing the required training, orientation and immunizations in a timely manner, UMMC may provide the services to the students and will charge the University for the actual cost of the services. The current requirements of UMMC are listed in Exhibit A.

I. If a University student is exposed to body fluids as defined in Section 18-338.1 ("the Section"), Health-General Article, Annotated Code of Maryland, while engaged in educational clinical experience at UMMC or Midtown, the student, as a health care provider, may request patient testing under the conditions set forth in the Section. Applicable policies of UMMC or Midtown, as relevant, will be followed, except that the University will be responsible for counseling of students and expenses of testing.

J. The parties will consolidate funds available for the salaries of medical residents and fellows so that the funds are administered by a single employer. UMMC serves as the employer of the medical residents and fellows. In that capacity, UMMC administers UMMC funds, Veterans Administration funds, and some other funds. Except where restricted by law or...
contract, University funds for resident and fellow salaries from accounts identified as revolving and grant accounts will be transferred to UMMC for administration during the Fiscal Year.
ARTICLE III. UNIVERSITY ADMINISTRATIVE SERVICES TO UMMC

USM, through the University, will provide services to UMMC as described in this ARTICLE III and Exhibits B and C. The University will be paid for providing these services and will transfer funds to other components of USM, if appropriate, if other components have been involved in furnishing services to UMMC.

A. Personnel Services

1. UMMC will be responsible for personnel administrative services related to its employment of all UMMC Personnel.

2. All employment records for UMMC Personnel made and used by the University Office of Human Resource Services (formerly the University Office of Personnel) previously have been transferred to the Medical System Corporation. The University Associate Vice President for Human Resource Services or designee shall be given access to transferred records concerning Medical System University Personnel for any reasonable purposes. In the event of requests pursuant to the Maryland Public Information Act or any other State law for information from records concerning Medical System University Personnel, the party receiving such request will advise the other party, and a coordinated response will be prepared by UMMC. UMMC shall maintain all transferred Medical System University Personnel records as it maintains like records in its ordinary course of business, and shall not destroy or dispose of any such records without first giving the University the option to accept return of such records.

3. To the extent any individual among UMMC Personnel continues to meet the definition of Medical System University Personnel, the President and the Chancellor continue to delegate to the CEO/UMMC and his designees the President’s and Chancellor’s authority concerning Medical System University Personnel under the USM rules for exempt and non-exempt staff and Sections 12-108 and 12-109 of the Education Article.

B. University Administrative Services

1. Through its Offices of Facilities Management and its Police Department, the University will provide to UMMC facilities management and Police and security officer services as specified in Exhibit B. The compensation for these services for the Fiscal Year is specified in Schedule 1.

2. As stated in Exhibit B, some Police services will be compensated on a fee-for-service basis, with the cost of service being calculated solely by multiplying the hourly wage of the personnel involved, including any shift differential, times the hours or fractional hours.
required for the service. UMMC is not obligated to purchase such services or any set amount of such services. Services provided on a fee-for-service basis under this subsection will be billed to UMMC by the appropriate University office, with payment due to the University within thirty days from UMMC’s receipt of the University’s bill for such services.

C. Department of Environmental Health and Safety

1. Through its Department of Environmental Health and Safety, the University will provide services to UMMC and Midtown as specified in Exhibit C. The compensation for services for the Fiscal Year is specified in Schedule 1.

2. Compensation for the services described in Exhibit C does not include the University’s costs for materials, supplies, permits and licenses issued to UMMC or Midtown, and contracted services required to furnish the services. Services described in Exhibit C that exceed limits stated in Exhibit C will be invoiced as extra costs. Such costs will be billed to UMMC quarterly, with payment due to the University within thirty (30) days from UMMC’s receipt of the University’s bill. No expenditure or related group of expenditures in excess of $1,000 will be made without prior approval of UMMC or Midtown. The University reserves the right to require that major purchases or contracts be made directly by UMMC.

D. Changes in Level of Administrative Services

1. (a) Any changes in administrative service during this Fiscal Year must be agreed upon as provided in ARTICLE X, Section K, Paragraph 1(a).

   (b) Unless otherwise specifically provided in this ARTICLE III, UMMC shall provide to the University not later than January 1, 2022 written notice of intention to reduce the level of administrative services provided by any administrative unit named in this Article pursuant to the terms of the Annual Contract between the Medical System Corporation and USM for the succeeding fiscal year.

2. In connection with the Medical System Corporation's establishment of administrative units to carry out functions performed by the University under this Agreement, the Medical System Corporation agrees not to hire, employ, or contract with any University employee whose function in any way relates to performance of an administrative service by University for the Medical System Corporation. This prohibition is applicable to employees of all University administrative units providing services described in ARTICLE III of this Agreement. Notwithstanding the foregoing provisions, the Medical System Corporation may extend offers of employment to University personnel who have been laid off or discharged, or who have given the University at least six (6) months prior written notice of their intention to accept a position with
the Medical System Corporation. The period of notice may be reduced by the University’s Vice President for Administration and Finance.

E. University of Maryland Identity Program

The University and UMMC have a joint corporate identity program intended to promote the identifier “University of Maryland” and a common logo based upon that identifier for both parties. The identifier and logo will be used in connection with promotional literature, advertising, publications, signage, and other uses, as confirmed in separate memoranda between the parties, approved by the President of the University and the CEO/UMMC. Branding and identification activities will continue in the Fiscal Year. The parties may enter into joint procurements of identity and promotion services, and will reimburse one another appropriately to allocate costs between the parties.

[THIS AREA INTENTIONALLY BLANK]
ARTICLE IV. UNIVERSITY FACULTY SERVICES TO UMMC AND MIDTOWN

A. Medical School Faculty

1. The School of Medicine shall assign physicians who are members of its clinical faculty to be responsible for (a) teaching and supervision of UMMC residents as part of UMMC’s graduate medical education programs; (b) administrative and supervisory functions on behalf of UMMC as required for accreditation of its facilities and programs and as necessary for its efficient operation; and (c) such other services, at UMMC or at Midtown, as reasonably requested by UMMC to support clinical programs and as agreed to by the School of Medicine. UMMC will pay the University the sums stated in Schedules 2A and 2B as compensation for the services at UMMC and the sums stated on Schedule 2C for the services at Midtown.

2. Schedules 2A and 2B state the assignment of funding to “base” support, generally reflecting ongoing commitments, and “seed” support, generally reflecting start up support for a specified period of time which is not intended to be ongoing for faculty services at UMMC. It is acknowledged that there may be an ongoing component of “seed” support when mutually agreed upon by UMMC and the School of Medicine.

3. It is understood and agreed that if this Annual Contract remains in force after June 30, 2022, as a result of the effect of Section 13-306(d) of the Medical System Law, the University waives any claim to be paid “seed” support with respect to the period of time after June 30, 2022, except to the extent of specific written multi-year commitments continuing after that date which have been made between UMMC and the School of Medicine and are referenced in Schedule 2B.

4. The parties anticipate that following written approvals as provided in ARTICLE X, Section K, Paragraph 4(a), below, Schedules 2A, 2B and 2C compensation will be increased during the Fiscal Year as additional faculty begin to provide services at UMMC or Midtown. The parties also anticipate that funding may be shifted between Schedules 2A and 2C due to transfers of academic and clinical programs during the Fiscal Year.

5. UMMC will provide, or require Midtown to provide, the School of Medicine faculty with office and teaching space, equipment, and administrative support required by the faculty to carry out properly their responsibilities under this Section. The CEO/UMMC and the Dean of the School of Medicine (“Dean-M”) shall consult with respect to any changes proposed by either party or by Midtown in the level of support to be provided or the space assigned pursuant to this Section. If the proposed changes are not mutually acceptable, the issues shall be referred to the President and the CEO/UMMC in accordance with ARTICLE X, Section B, below.
6. The Dean-M, after consultation with the CEO/UMMC, will assign faculty members to provide services in the clinical specialties listed in Schedules 2A, 2B and 2C. Ongoing compensation for the faculty services is based on the following principles: (a) the services to be provided are defined and quantified; (b) the services are provided on an efficient and effective basis; and (c) compensation is based on fair market value.

7. The Dean-M and the CEO/UMMC will develop and implement performance standards that will serve to assess the services provided by the School of Medicine faculty members at UMMC and Midtown in the following areas: (a) medical direction; (b) resident and fellow supervision; (c) clinical quality; (d) customer service; (e) cost of care; and (f) operational efficiency.

8. The CEO/UMMC and the Dean-M shall meet to discuss any (a) dissatisfaction by UMMC or Midtown with the services provided by any School of Medicine department or individual faculty member, or (b) the failure of any School of Medicine department or individual faculty member to meet the performance standards agreed to by the parties.

9. (a) Pursuant to Section 13-305(a) of the Medical System Law, the chairs of the clinical science departments of the School of Medicine serve as chiefs of the corresponding clinical services at UMMC. The clinical chairs/chiefs must participate in furthering the objectives of the School of Medicine and UMMC. In so doing, the clinical chairs/chiefs are responsible to the Dean-M for the academic, research, and patient care activities of themselves and their departmental faculty. For patient care in or on behalf of UMMC, the clinical chairs/chiefs also are responsible to the CEO/UMMC. If clinical chairs or other faculty of the School of Medicine are proposed by the CEO/UMMC as chiefs of service at Midtown, the concurrence of the Dean-M is required.

   (b) Recruitment and selection of a UMMC clinical chair/chief is the joint responsibility of the Dean-M and the CEO/UMMC. Search committees will be appointed by the Dean-M, in consultation with the CEO/UMMC, who shall nominate a member of the UMMC administration to represent it on each committee. Negotiations with prospective new clinical chairs/chiefs shall be carried out concurrently by the Dean-M and by the CEO/UMMC, with the final proposal being a joint one. Appointments of division heads in clinical departments and medical directors of clinical specialty units in UMMC shall be made by the clinical chairs/chiefs with the approval of the Dean-M and the CEO/UMMC.

   (c) Recommendations to the President of salaries for clinical chairs/chiefs, division heads, and medical directors of clinical specialty units at UMMC or Midtown shall be made with the approval of the Dean-M. The CEO/UMMC will provide input to
the Dean-M concerning the evaluations of annual salary increases for clinicians, chiefs, division heads and medical directors working at UMMC or Midtown.

10. The School of Medicine and UMMC will establish mutually agreed evaluation tools to measure efficiency, effectiveness, safety and customer service for the faculty work in the UMMC clinical services. These tools will include reports to determine refunds to UMMC from the School of Medicine if performance measures are below agreed goals and financial incentives payable to the School of Medicine if performance is above agreed upon goals. Refunds will not exceed 10 percent of faculty support during the annual period. Financial incentives will not exceed 5 percent of faculty support during an annual period. Performance measures, incentives and refunds, are agreed upon between the SOM Chair or Program Director and the Chief Clinical Office, UMMC and are tracked by specialty/department area.

On a monthly basis, evaluation results will be analyzed by UMMC and the respective School of Medicine departments providing faculty services at UMMC, and the results will be reported to the Dean of the School of Medicine. Any refunds or incentives in compensation identified as a result of the performance evaluations will be finalized within 120 days after the end of the fiscal year and transferred to either UMMC by the School of Medicine or by the School of Medicine to UMMC.

The semi-monthly payments from UMMC for support of faculty salaries will not be altered during the Fiscal Year as a result of possible refunds or incentives based on evaluations each month.

11. Only those School of Medicine faculty members who render specific supervisory, administrative, and/or educational services to UMMC or Midtown or who are otherwise approved by the Dean-M and the CEO/UMMC shall receive income from the payments made to the School of Medicine pursuant to this Section of ARTICLE IV. Faculty may receive income from the payments while they are on sabbatical leave, terminal leave, or paid leave of absence or administrative leave related to separation from employment, with prior written approval for such payments by the Dean-M and the CEO/UMMC. With the consent of the CEO/UMMC, the School of Medicine may use the income budgeted for support of a specific faculty member to pay another faculty member in the event the first individual ceases to receive, or ceases to be eligible to receive, income from the payments made to the School of Medicine. The parties agree to continue to transition from a model that ties UMMC or Midtown funding to specific physicians to a fair-market value, fixed fee, service-based funding approach. The parties will work diligently to achieve this goal. This work will be based upon the approved list of services provided by the School of Medicine physicians to UMMC and Midtown, with appropriate performance measures developed jointly in order to evaluate the delivery of these services. It is anticipated that the transition in funding methodology will occur and be
implemented on a department-by-department basis, until such time as that base funding for all clinical departments is paid on a fixed-fee basis.

12. Schedules 2A, 2B and 2C include fringe benefit costs, at the stated University rates, associated with the payments being made for faculty services pursuant to paragraph 1. See ARTICLE X, Section M, Paragraph 1, regarding adjustment of these costs.

13. (a) During the Fiscal Year, UMMC anticipates incurring costs for salaries and fringe benefits $1,500,000 less than the Grand Total of salaries and fringe benefits stated on Schedule 2A, 2B and 2C because of turnover savings as defined in this paragraph 13.

(b) “Turnover savings” means the amount of UMMC support for faculty salary and fringe benefits (as reflected on Schedules 2A, 2B and 2C) which is not actually required or used for the salary and related fringe benefits of a faculty member as provided in this Agreement. Faculty salary for this purpose includes, in addition to wages for periods of employment, salary payments to faculty for unused annual and holiday leave when such payments are due upon separation from employment under the faculty benefits policies of the University, as well as payments for sabbatical leave, terminal leave, or paid leave of absence or administrative leave related to separation from employment if approved as provided in Section A, Paragraph 11, of this ARTICLE IV.

(c) Periodic payments due from UMMC for faculty salary and fringe benefit support will be based upon the Projected Cost stated on Schedules 2A, 2B and 2C (i.e., the Grand Total of salaries and fringe benefits less $1,500,000) and adjusted as provided in ARTICLE X, Section M, Paragraph 1.

(d) At the end of the Fiscal Year, if the turnover savings are less than $1,500,000, UMMC will pay to the University one half of the difference between $1,500,000 and the turnover savings. The maximum payment due the University under this subparagraph (d) shall not exceed $750,000. The payment will be due within 15 days after the Dean’s Office reports to UMMC the incurred costs as compared to the projected total cost for salaries and fringe benefits as set out in Schedules 2A, 2B and 2C. The turnover savings will be computed based on notices provided by the Dean’s Office of the School of Medicine as described in ARTICLE X, Section K, Paragraph 4(b).

B. School of Pharmacy Services

UMMC and the School of Pharmacy will be provided services as described in this Section B.
1. The Dean of the School of Pharmacy ("Dean-P") or designee and the Director of Pharmacy Services of the UMMC Department of Pharmacy Services ("Director") or designee will cooperatively establish prior to July 1, 2021, a specific schedule of services the School of Pharmacy will provide to UMMC, and a list of faculty, staff and residents who will provide the services in the Fiscal Year.

(a) Throughout the Fiscal Year, the Dean-P or designee and the Director or designee will meet periodically to:

(i) reevaluate the needs of the School of Pharmacy and the UMMC Department of Pharmacy Services and the performance of all participants, and progress toward any agreed goals;

(ii) adjust the services and faculty, staff and resident assignments and expectations to meet these needs in an effective manner.

(b) Either the Dean-P or the Director may initiate a reevaluation of services or assignments or request the other party to substitute personnel providing services.

(c) The Director will ensure that faculty and staff assigned to provide services receive appropriate appointments in the UMMC Department of Pharmacy Services and have access to patient care areas and the data necessary for the performance of required services.

(d) Services will be limited to agreed areas of faculty and staff expertise and to the availability of faculty and staff as agreed by the Dean-P and the Director or their respective designees.

(e) The activities provided at UMMC by the faculty, staff and residents of the School of Pharmacy may include but shall not be limited to: patient care services; active participation on committees as agreed; attendance at Department of Pharmacy Services meetings and in-services; precepting UMMC residents while on rotation in an assigned service area; provision of staff development programs to the pharmacy staff; participation in collaborative projects including research, cost savings, cost-containment, patient staff and/or quality improvement; and other initiatives used to improve medication use throughout UMMC.

(f) The activities provided by the faculty and staff of the School of Pharmacy shall include active participation in the activities of the Pharmacy and Therapeutics Committee, including, if necessary and requested by UMMC, assignment of one faculty member to membership on the Committee.
(g) The activities of the School of Pharmacy faculty providing services at UMMC pursuant to this Agreement are subject to the following terms:

(i) For faculty providing direct patient care, the percentage of effort related to inpatient services will be as stated in the schedule of services established by the School of Pharmacy and UMMC (“service agreement”). The School of Pharmacy will require that if a faculty member is unable to provide scheduled service coverage, it is the responsibility of the faculty member to make arrangements for coverage, if possible, and to notify a designated School of Pharmacy administrator if coverage cannot be arranged.

(ii) For faculty providing direct patient care, the percentage of effort related to outpatient clinics will be as stated in the service agreement. If a faculty member is unable to attend his/her assigned clinic day, it is the responsibility of the faculty member to make arrangements for coverage or swap days with another provider, and to notify a designated Pharmacy administrator if coverage cannot be arranged.

(iii) If a faculty member is unable to fulfill the agreed schedule of inpatient or outpatient service regardless of reason (e.g., resignation, sick leave), it is the responsibility of the School of Pharmacy to provide adequate coverage in accordance with the service agreement. If the School of Pharmacy is unable to provide service coverage, then the School of Pharmacy will discuss with pharmacy leadership at UMMC a commensurate reduction in the financial support stated in Schedule 3. Both parties will participate in good faith in quarterly operational and financial review meetings to amend payment amounts if necessary compared to the original support described in Schedule 3.

(iv) The School of Pharmacy will require that its faculty assigned to UMMC participate in UMMC clinical pathway development when appropriate and/or when requested by UMMC in order to maintain best practices within UMMC.

(v) The School of Pharmacy will require that its faculty assigned to UMMC participate in UMMC quality improvement initiatives when appropriate and/or when requested by UMMC in order to enhance service quality and productivity at UMMC.

(vi) The School of Pharmacy will require that its faculty assigned to UMMC be involved in UMMC committee activities including the Pharmacy & Therapeutics Committee when appropriate to maintain appropriate use of medications at UMMC.
(vii) The School of Pharmacy will require that each faculty member assigned to UMMC participate in UMMC cost containment and resource utilization projects and document cost reductions in a manner requested by UMMC pharmacy leadership.

2. The Director shall have authority with respect to all policy decisions related to pharmacy services at UMMC.

3. UMMC shall provide support to the School of Pharmacy for faculty positions held by faculty providing services to UMMC and for residents providing services at UMMC, as described in paragraph 1. In addition, UMMC will provide some administrative support. The faculty and administrative support is as provided in Schedule 3.

4. The Dean-P and the Director, or their respective designees, will establish prior to July 1, 2021, a specific schedule of services and list of UMMC staff members who will provide them to the School of Pharmacy in the Fiscal Year.

   (a) Throughout the Fiscal Year, the Dean-P and the Director, or their designees, will meet periodically to:

      (i) reevaluate the needs of the UMMC Department of Pharmacy and the School of Pharmacy;

      (ii) adjust the services and staff assignments to meet these needs in an effective manner.

   (b) Either the Dean-P or designee or the Director or designee may initiate an evaluation of services or assignments or request to substitute personnel assigned to the School of Pharmacy.

   (c) The Dean-P will ensure that staff assigned to provide services receive appropriate faculty appointments in the School of Pharmacy in its Department of Pharmacy Practice and Science and have access to appropriate resources and student information necessary for the performance of agreed upon services.
(d) The activities provided by the staff of UMMC may include, but shall not be limited to: precepting pharmacy students, participation in planning, development, and coordination of the School of Pharmacy’s educational and research programs through participation in School of Pharmacy committees, and participation in agreed didactic coursework.

(e) The School of Pharmacy will pay individual UMMC staff for agreed services to the School in the Fiscal Year. Standard School of Pharmacy stipends for clinical faculty will apply. UMMC has no responsibility with respect to those payments.

(f) The Dean-P shall have authority with respect to all policy decisions related to educational programs of the School of Pharmacy.

5. The Director and the Chair, Department of Pharmacy Practice and Science, School of Pharmacy, will meet on a regularly scheduled basis to evaluate current services provided by the School of Pharmacy Department of Pharmacy Practice and Science and the UMMC Department of Pharmacy Services, and to plan for further cooperative development of pharmacy service, education, and research programs.

6. Schedule 3 reflects, as applicable, fringe benefit costs at standard University rates for faculty, staff and residents.

7. Any differences of opinion between the Dean-P and the CEO/UMMC shall be resolved by the President and the CEO/UMMC in accordance with ARTICLE X, Section B, below.

C. School of Dentistry Faculty

The School of Dentistry faculty assigned by the Dean of the School of Dentistry (“Dean-D”) will provide services at UMMC as described in this Section C.

1. The School of Dentistry shall provide UMMC with a faculty dental professional staff that will provide supervision and administration of dental residents in their delivery of comprehensive dental care to UMMC patients. Services of the School of Dentistry faculty will include 24-hour on-call coverage 7 days per week and coverage of clinics Monday through Friday from 8 a.m. to 4:30 p.m., exclusive of holidays. Any changes in these schedules must be approved by the CEO/UMMC. The Dean-D shall assign individual faculty to perform responsibilities under this Agreement and may substitute faculty at his discretion after consultation with the CEO/UMMC.
2. UMMC shall provide at no cost to the School of Dentistry such UMMC Personnel as may be necessary for the School of Dentistry faculty to exercise properly their responsibilities under this Agreement. UMMC will have the exclusive right to approve or disapprove all expenditures for this purpose proposed by the School of Dentistry.

3. One of the faculty members assigned under this Section shall serve as the chair of the department of dentistry of UMMC upon approval of the CEO/UMMC. The chair will direct all activities of the School of Dentistry faculty pursuant to this Agreement, supervise faculty dentists and dental residents, and provide back-up services as required in his judgment.

4. UMMC shall provide at no charge to the School of Dentistry office space for recordkeeping and administrative functions necessary for the faculty to exercise their responsibilities under this Agreement. UMMC reserves the right to assign space for these uses; however, the minimum space shall be that amount of space occupied by the clinic on the ground floor of UMMC’s North Building as of July 1, 1985, which the parties in good faith believe has remained unchanged. This space shall be subject to the space use review described in Article V.

5. UMMC shall provide at no cost to the School of Dentistry supplies necessary for the School of Dentistry faculty to exercise properly their responsibilities under this Agreement. UMMC will have final approval or disapproval of all expenditures requested by the School of Dentistry for these purposes.

6. UMMC Department of Dentistry personnel under the supervision of the Chair will prepare and submit charges for dental services rendered by dental residents in the UMMC dental clinics according to procedures of UMMC’s Finance Department. All revenue generated from patient services delivered by dental residents in UMMC clinics will accrue to UMMC.

7. The compensation payable by UMMC to the School of Dentistry for faculty services for the Fiscal Year is set forth in Schedule 4. If, due to turnover or program changes, the actual utilization of funds is less than the estimated compensation, the compensation will be reduced to the sum required by University.

8. Schedule 4 reflects faculty fringe benefit costs at the standard University rate.

9. Any differences of opinion between the Dean-D and the CEO/UMMC shall be resolved by the President and the CEO/UMMC in accordance with ARTICLE X, Section B, below.
D. School of Nursing Faculty

If the Dean of the School of Nursing (“Dean-N”) and the Senior Vice President, Chief Nursing Officer of UMMC (“CNO-UMMC”) agree, nurses employed by UMMC may be assigned to work part-time as faculty of the School of Nursing, teaching agreed courses at the School of Nursing or at UMMC. If the School and UMMC agree upon payment to UMMC to compensate it for the nurses’ time spent as faculty, the agreed payment will be documented in writing and reported to the University Office of Financial Services for payment to UMMC following the end of the academic year. A memorandum of understanding setting out further terms and conditions not inconsistent with this Agreement may be executed by the Dean-N and the CNO-UMMC in consultation with the CEO-UMMC.
ARTICLE V. COMPENSATION FOR USE OF SPACE

A. Each of the parties uses space within buildings owned by the other party. The parties agree to continue to allow such use of space. The parties have estimated their non-exclusive and exclusive use of one another's space, and the approximate market value of the space shared/used. The value of UMMC space that is shared or used by the University exceeds the value of University space that is shared or used by UMMC. The parties agree that the difference between the values, as set forth on Schedule 5, will be paid to UMMC by the University to reimburse UMMC’s net expense.

B. Each party's use of the other's space shall be subject to all applicable rules and regulations of the other party, including but not limited to those regarding personnel and visitor access, security, maintenance, storage and disposal of chemical or pathological waste, and storage and disposal of select agents.

C. The University’s Center for Vaccine Development ("CVD") will use space at UMMC as a site of its vaccine trials. Unless otherwise agreed by the Dean-M and the CEO/UMMC, CVD will use facilities in the General Clinical Research Center ("GCRC") in UMMC. CVD will be responsible to pay for use of the facilities and associated UMMC services, in accordance with the generally applicable pricing schedules for the GCRC. UMMC and the University are parties to separate agreements relating to the GCRC, which is supported in part through a federal grant to the School of Medicine.

D. On or before February 15, 2022 (the "Record Date"), the University and UMMC will finalize a space inventory stating the amount of space the University and UMMC, respectively, use in one another’s buildings. All future changes in compensation for use of space based upon an increase in the amount of one party’s space used by the other party require prior written approval of the using party as to the amount of space involved, the payment expected, and the payment source. The approval for the University must be given by the President. The approval for UMMC must be given by the CEO/UMMC.

[THIS AREA INTENTIONALLY BLANK]
ARTICLE VI. PERSONNEL MATTERS

A. To the extent there are individuals among UMMC Personnel who meet the definition of Medical System University Personnel, the University will continue to assign those Medical System University Personnel to work in UMMC. Such Medical System University Personnel will report to the CEO/UMMC through their immediate supervisors, who may be Medical System University Personnel or UMMC Employees. Such Medical System University Personnel will provide services to UMMC as directed by the CEO/UMMC. In all matters relating to the employment of any member of Medical System University Personnel UMMC shall observe applicable policies and rules of the University, USM, and the State.

B. UMMC will provide all funds required by the University for wages and fringe benefits payable by the University in connection with employment or termination of employment of Medical System University Personnel. In addition, UMMC will pay the cost of tuition waiver for Medical System University Personnel, their spouses and their dependent children, as provided by USM policy.

C. UMMC will maintain a list of Medical System University Personnel. In the event that there is any dispute between an employee and the University or UMMC as to whether that employee is part of the Medical System University Personnel, the decision of the University Director of Human Resource Services shall be the final action of either or both employers in the matter. The Director of Human Resource Services shall consult with the Office of the Attorney General before making a final decision.

D. The President and the CEO/UMMC, or their respective designees, must approve in writing: (1) any concurrent employment of an individual by both parties; (2) any temporary employment or consulting agreements between an employee of one party and the other party; and (3) the compensation payable by the respective parties pursuant to any employment arrangement described in this section.

E. 1. Certain full-time University employees, who may be staff or non-physician faculty, have job responsibilities including activities of direct benefit to UMMC and/or Midtown. UMMC may elect to continue to support the employment of any such employee in the Fiscal Year by funding the full amount, or an agreed upon share, of the University’s salary and fringe benefits cost (“employment cost”) for that employee (a “UMMC supported employee”). UMMC’s percentage share of employment cost for a UMMC supported employee will be the same as that employee’s percentage effort of direct benefit to UMMC and/or Midtown, as determined by the University and UMMC, acting through the department personnel delegated responsibility to make the determination. UMMC may recover a share of its cost from Midtown as agreed between UMMC and Midtown. The University will not bill Midtown.

[00158060-7]
DRAFT 2022 Annual Contract
_____________, 2021
Page 22
2. As to any UMMC supported employee, UMMC may discontinue its support of employment cost following not less than sixty (60) days written notice. UMMC support for a UMMC supported employee may be terminated during the Fiscal Year, provided the notice requirement is satisfied. The University will have no obligation to assign to UMMC and/or Midtown work any employee who has ceased to be a UMMC supported employee.

3. UMMC support of employment cost may not be used to increase the salary or overall compensation of a UMMC supported employee above a University approved level.

4. The University and UMMC shall maintain a list of the UMMC supported employees on a current basis. As soon as feasible after the beginning of the Fiscal Year, the University and UMMC will establish a schedule for projected employment cost to be paid by UMMC for UMMC supported employees in the Fiscal Year. This schedule will be prepared no later than the end of July of the Fiscal Year, and will include employment cost retroactive to July 1 of the Fiscal Year. On a semi-monthly basis, UMMC will pay the University 1/24 of the aggregate UMMC supported employment cost as stated in the schedule, as provided in ARTICLE X, Section D. The payment so determined will be in effect following agreement upon the schedule for the Fiscal Year. Pending adoption of the schedule and determination of the payment, semi-monthly payments will be made by UMMC at the rate in use prior to July 1 of the Fiscal Year (that is, the rate used at the end of the fiscal year ending June 30, 2021).

5. The parties recognize that the semi-monthly payments are an estimate of UMMC’s share of employment cost for approved UMMC supported employees. University payroll changes (e.g., employee separations, hires of new personnel with UMMC support) and changes in employee assignments will result in changes in employment cost and UMMC’s share of employment cost on an ongoing basis in the Fiscal Year. After December 31 of the Fiscal Year, and again after the close of the Fiscal Year, the University will provide to UMMC details about the University’s incurred employment cost for UMMC supported employees, and will provide detail about charges to University payroll accounts supported by funds received from UMMC to support employment cost for UMMC supported employees. If the parties identify an error in the charges to these accounts, the charges to the accounts will be corrected promptly and a credit or debit to the respective accounts will be made by the University.

6. (a) Within 90 days after December 31 of the Fiscal Year, the University and UMMC will evaluate the changes in the schedule of UMMC supported employees since the schedule for the Fiscal Year was established, the employment cost actually incurred by the University for UMMC supported employees during the Fiscal Year through December 31, and UMMC’s share of the employment cost, as well as the total of semi-monthly payments made or due from UMMC through December 31 of the Fiscal Year. If UMMC has overpaid or underpaid
the University, a reconciling sum (“sum”) will be calculated. If UMMC and the University agree that the sum is material, and not likely to be offset by variations in employment cost in the remainder of the Fiscal Year, the sum will be paid to the party that was underpaid, or has overpaid, upon receipt of the other party’s invoice for the sum. Materiality will be determined by the chief financial officers of the University and UMMC. The semi-monthly UMMC payments for estimated employment cost of UMMC supported employees may be changed (increased or decreased) prospectively by agreement of the parties’ chief financial officers based upon findings in the reconciliation of UMMC payments and employment cost through December 31 of the Fiscal Year. Any change will reflect adjusted estimates of UMMC’s share of employment cost in the last six months of the Fiscal Year. No change in semi-monthly payments will be made if the variance between UMMC payments and its share of employment cost for the six month period is less than 5 percent. If the variance is 5 percent or greater, a change will be made if UMMC so requests, if it has been overpaying, or if UMB so requests, if it has been underpaid.

(b) After the end of the Fiscal Year, the University and UMMC will reconcile the aggregate employment cost the University has incurred in the Fiscal Year for UMMC supported employees to the scheduled UMMC support in the Fiscal Year for employment cost of UMMC supported employees. The aggregate deficit or surplus in employment cost paid to the University will be determined after the end of the Fiscal Year. Any payment of a reconciliation sum made by a party pursuant to subparagraph (a) above will be taken into account. A final calculation of employment cost and reconciliation of UMMC payments to employment cost will be made, and any final reconciliation sum due from one party to the other will be invoiced, within 90 days after the end of the Fiscal Year.

F. 1. Certain full-time UMMC Personnel devote part-time or full-time effort to clinical activities at UMMC and/or Midtown or at University health care delivery sites for which the University receives grant and contract support. In accordance with the budgets of these grants and contracts, the University will transfer to UMMC funds received for salaries and fringe benefits of such UMMC Personnel.

2. Other full-time UMMC Personnel devote part-time or full-time effort to activities of the School of Medicine, as agreed between its clinical departments and UMMC and/or Midtown. If a School of Medicine clinical department has designated funds in its University budget for support of such UMMC Personnel, the School of Medicine will require that the funds be applied as budgeted, if UMMC is current in obligations to the University. UMMC will notify the Associate Dean for Finance and Business Affairs of the School of Medicine and the University’s Vice President for Administration and Finance in writing if the School’s support is needed to obtain invoiced, but unpaid, funds due from a clinical department.

3. Some full-time UMMC Personnel devote part-time or full-time effort to
activities of professional associations in the School of Medicine’s faculty practice plan organization. If a professional association has committed to support the employment of UMMC Personnel, the University will provide support reasonably requested by UMMC to collect invoiced, but unpaid, sums due from the professional association during the fiscal year. UMMC recognizes that the University does not control the funds of the professional associations.

G. At least quarterly, representatives of the University, UMMC, and the School of Medicine will meet to review the status of the obligations of UMMC, the University, the School of Medicine, and the professional associations, to one another for support of employment costs and to reconcile obligations to one another for employment cost support. The President, the Dean-M, and the CEO/UMMC shall designate representatives for these meetings. The target dates for meetings are October 1, 2021, December 1, 2021, February 1, 2022, and May 1, 2022.

[THIS AREA INTENTIONALLY BLANK]
ARTICLE VII. ASSUMPTION OF LIABILITIES; INSURANCE

A. None of the Medical System Corporation, Medical Center LLC or Midtown, shall assume any liabilities of the University, USM or the State other than the Medical System Liabilities, other liabilities identified in Section 13-308 of the Education Article, and the liabilities specifically described in this ARTICLE VII or in ARTICLE IX.

B. The Medical System Corporation (1) will cooperate fully with the University and the Office of the Attorney General in the investigation and defense of potential claims and claims asserted against the University or its officers or employees incurred or arising in connection with (a) the operation of the “Medical System Assets” prior to the Transfer Date, for which claims liability is not assumed by the Medical System Corporation, and (b) education or research activities conducted by the University, its faculty, or students at UMMC or Midtown; and (2) will direct its professional staff and administration, including employees of the Medical Center LLC, to provide non-legal advice and consultation to the University and the Office of the Attorney General with regard to such matters at no cost.

C. The University (1) will cooperate fully with the Medical System Corporation and its legal counsel in the investigation and defense of potential claims and claims asserted against the Medical System Corporation, the Medical Center LLC, or the officers or employees of either, and claims for which the Medical System Corporation has assumed responsibility, incurred or arising in connection with (a) operations, prior to the Transfer Date, of the clinical facilities among the Medical System Assets, (b) services provided to UMMC or Midtown by the University after the Transfer Date pursuant to this Agreement or any prior Annual Contract, and (c) education or research activities conducted by the University, its faculty or students at UMMC or Midtown; and (2) will direct its professional staff and administration to provide non-legal advice and consultation to UMMC and Midtown and their legal counsel with regard to such matters at no cost.

D. 1. To the extent feasible in the opinion of the CEO/UMMC, UMMC will procure insurance adequate to protect the University’s interest and provide for the University’s defense and indemnification with respect to the matters described in Subsection 13-308(c) of the Education Article. UMMC will remain liable for any obligations under that Subsection which are not provided for by insurance.

2. To the extent feasible in the opinion of the CEO/UMMC, on and after the Transfer Date UMMC will provide malpractice and general liability insurance adequate to protect the interests of Medical System University Personnel and to make payments authorized by the Board of Public Works as described in Subsections 13-308(d) and (e) of the Education Article.
UMMC will remain liable for any obligations under those Subsections that are not provided for by insurance.

3. UMMC will not discriminate between Medical System University Personnel and UMMC Employees in determining insurance coverages or limits.

E. PARAGRAPH INTENTIONALLY OMITTED.

F. The President and the CEO/UMMC shall establish procedures for coordinated planning of malpractice insurance for the University faculty, staff and students, UMMC, and UMMC Personnel. In planning, representatives from the School of Medicine, other University schools and UMMC shall be involved as the President and the CEO/UMMC deem appropriate. During the Fiscal Year, (1) UMMC will support the purchase of malpractice insurance for the faculty on the medical staff of UMMC, but only to the extent determined by the Board of Directors upon the recommendation of the CEO/UMMC; (2) UMMC will pay premiums for malpractice insurance for all medical residents and fellows in the UMMC graduate medical education programs; and (3) the School of Medicine and UMMC will collect from third parties and credit to UMMC the cost of malpractice insurance premiums for medical residents and fellows providing services at other health care facilities for consideration payable to the School of Medicine or to UMMC.

G. The Medical System Corporation hereby waives, and agrees to defend, indemnify and hold harmless the State of Maryland, USM, the University, and their officers and employees from:

1. any claim, lawsuit, loss, damage or liability arising out of the performance of services for UMMC or Midtown pursuant to ARTICLE III, ARTICLE IV, Section A, Paragraph 1 and ARTICLE VI, Section E and F; and

2. any claim, lawsuit, loss, damage or liability
   (a) brought by or on behalf of any UMMC or Midtown volunteer or employee who is not a member of the medical staff of UMMC or Midtown, and
   (b) arising out of supervision or administrative services related to such UMMC or Midtown volunteer or employee, which services were performed in good faith for UMMC or Midtown by the University faculty pursuant to ARTICLE IV.

H. The Medical System Corporation will defend, indemnify and hold harmless the University with respect to all claims related to the employment relationship prior to the Transfer
Date between UMMC Personnel and the University and the State during a time when such personnel were assigned in UMMC.

I. 1. Obligations and liabilities of the Medical System Corporation to USM and the University may not be transferred to the Medical Center LLC.

2. Any obligations and liabilities of UMMC or Midtown provided in this Agreement are the obligations and liabilities of the Medical System Corporation, and any commitments, waivers or other actions undertaken by UMMC or Midtown in this Agreement are imputed to the Medical System Corporation.

[THIS AREA INTENTIONALLY BLANK]
ARTICLE VIII. MEDICAL STAFF

UMMC shall provide in the by-laws of the UMMC medical staff that (i) all members of the regular medical staff (excluding persons granted courtesy privileges) must have an appointment to the faculty of the School of Medicine or the School of Dentistry to be granted privileges of staff membership and (ii) any applicant for membership in the medical staff who is concurrently an applicant for a faculty position may be granted only interim privileges for 120 days pending approval of a faculty appointment. Faculty applications to the medical staff of UMMC will be submitted as required under the UMMC medical staff by-laws, and will be granted or denied by UMMC following review in accordance with the by-laws. The Schools of Medicine and Dentistry will use their best efforts to process faculty appointments within 120 days, will notify UMMC when faculty appointments are complete, and will notify UMMC when faculty appointments are terminated, all of the foregoing duties being applicable only with respect to faculty who apply for membership in the regular medical staff.

If UMMC should consider seeking termination of medical staff privileges granted to any faculty member, or asking that any member of the faculty resign from the medical staff, before initiating any such action the CEO/UMMC or his designees shall consult with the dean of the staff member's school, and, except in an emergency, before taking action shall permit that dean a reasonable time to consult with the President and the Office of the Attorney General concerning the impact of such action upon the faculty status of the medical staff member.

[THIS AREA INTENTIONALLY BLANK]
ARTICLE IX. ENDOWMENTS

Any endowments or gifts received by the University during the Fiscal Year that are explicitly for the benefit of the Medical System or any of its parts will be identified to the Medical System Corporation by the University and transferred as the Medical System Corporation directs, both within ninety (90) days of receipt.

Any endowments or gifts received by the Medical System Corporation during the Fiscal Year that are explicitly for the benefit of the University or any part of the University will be identified to the University by the Medical System Corporation and transferred as the University directs, both within ninety (90) days of receipt.

If a court order or other approval required by law is necessary in order to transfer any endowment or gift, the parties will cooperate to seek needed action in a timely manner, recognizing that delays in seeking or obtaining approvals may delay transfer of endowments or gifts.
ARTICLE X. ADMINISTRATIVE MATTERS

A. This Agreement is subject to and shall be interpreted in accordance with the laws of the State of Maryland and shall be liberally construed to effect the purposes of the Medical System Law as stated therein. If any provision of this Agreement shall be determined by a court of law to be unlawful, that provision shall be null and void but the remainder of this Agreement shall remain in effect. Nothing contained in this Agreement shall be deemed or construed to waive or abrogate in any way the sovereign immunity of the State or the University or to deprive the University or any officer or employee thereof of sovereign immunity.

B. If there should be any dispute between the parties related to the interpretation or administration of this Agreement, the President and the CEO/UMMC shall consider fully the dispute and seek to make a joint decision for resolution of the matter within 30 days. If they are unable to reach a joint decision, the President or the CEO/UMMC may request that a committee comprised of three (3) members of the Board of Directors and three (3) members of the Board of Regents be convened to meet and attempt to reach a resolution acceptable to the institutions’ governing boards, using a process and procedures as shall be established by such ad hoc committee.

C. All records generated by UMMC related to the employment of Medical System University Personnel shall be the property of UMMC for all purposes. The University shall have access to all personnel records of Medical System University Personnel and may review and photocopy such records at the expense of UMMC. All business records, patient records and materials of any type whatsoever generated by University administrative units or by Medical System University Personnel in the course of performing services to UMMC pursuant to this Agreement, rather than in the course of the University’s public business, shall be the property of UMMC. The University shall have access to such records and materials for its purposes including, but not limited to, audits of the costs of services to UMMC and evaluation of personnel performance. Unless prohibited by law, the University may review and photocopy such records and materials at its own expense.

D. The reimbursement due the University from UMMC is payable according to the following schedule:

1. Payments for services described in ARTICLE III are due in twenty-four equal installments payable on the fifteenth (15th) and thirtieth (30th) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year. Each installment shall be one-twenty-fourth of the total in Schedule 1.
2. Payments by UMMC for faculty services described in ARTICLE IV, paragraphs A, B and C, and Schedules 2A, 2B, 2C, 3 and 4 are due in installments of one-twenty-fourth of the total of payments stated in those Schedules. Installments are due the fifteenth and thirtieth days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

3. Payments by UMMC described in ARTICLE VI, Section B (relating to Medical System University Personnel), and ARTICLE VI, Section E (related to UMMC supported employees), will be made semi-monthly on the fifteenth (15th) and thirtieth (30th) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

E. 1. Compensation due from the University to UMMC for space usage will be payable in installments of one-twenty-fourth of the total stated in Schedule 5. Installments are due the fifteenth and thirtieth days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

2. Compensation from the School of Nursing for faculty services as described in Article IV, Section D, will be payable in a single payment due no later than June 30, 2022.

F. If any State general funds are appropriated to USM for the Fiscal Year for use of UMMC, the general funds will be paid to UMMC by USM in two equal installments due July 1, 2021 and January 1, 2022.

G. 1. The University shall invoice UMMC (a) once for semi-monthly payments due to USM or the University pursuant to this Agreement and (b) periodically, as provided in this Agreement, for other billable services and cost reimbursements. UMMC semi-monthly payments to the University will be made by electronic funds transfer in accordance with instructions provided by the University. Other payments from UMMC to the University will be made by electronic funds transfer if feasible and if payment information is provided by the University when required payments are invoiced. If UMMC is unable to pay any University obligation by electronic funds transfer, payment shall be made by check to the University as promptly as possible after the due date for the payment.

2. Payments due the Medical System Corporation from the University shall be paid by the State of Maryland by check, using check mailing instructions provided by UMMC.

3. If the due date for any payment is a date when the payee's offices are closed, the payment shall be made on the next day that both parties' offices are open.
4. If any payment due the University from UMMC pursuant to this Agreement is not transferred to or delivered to the University within one week of its due date, the amount due will accrue interest at the rate of six percent (6%) per annum from the date the payment was due until the date it was received by the University.

5. If any payment due UMMC from the University pursuant to this Agreement is not transferred to or delivered to UMMC within thirty (30) days of its due date, the amount due will accrue interest at the rate of three percent (3%) per annum from the date the payment was due until the date it was received by UMMC.

H. The term of this Agreement is July 1, 2021 through June 30, 2022.

I. If USM and the Medical System Corporation do not enter into an annual contract for the fiscal year ending June 30, 2023, this 2022 Agreement shall remain in force until another annual contract is approved, subject to the following changes:

1. Unlike “base” support, payment of “seed” support, which relates to specific positions and specific time periods, shall continue until the end dates stated in Schedule 2B. The “seed” commitments may cover multiple fiscal years. If this 2022 Agreement shall remain in force after the end of the Fiscal Year due to the effect of Section 13-306(d) of the Medical System Law, the University waives any right it may have, under this Agreement, to receive “seed” support after the scheduled end date of such support as stated in Schedule 2B. For example, if this Agreement remains in force in Fiscal Year 2023 by operation of law, any “seed” commitment stated in Schedule 2B which is identified as ending at the end of Fiscal Year 2022 will not be paid to the University in Fiscal Year 2023 or thereafter, and the University waives any right it has, due to continuation of this Agreement by operation of law, to claim payment of that “seed” commitment in Fiscal Year 2023 or thereafter.

2. Either party may increase costs to be reimbursed to reflect any increase in salaries, fringe benefit costs, and other personnel costs associated with services provided by that party to the other party.

3. On an ongoing basis during the Fiscal Year, the University’s payments from UMMC for faculty physician services may be adjusted as provided in Section K, Paragraph 4, of this ARTICLE X. In addition, costs may be shifted between Schedule 2A and Schedule 2C if UMMC clinical services are relocated to or expanded to Midtown, or vice versa.

4. If the University was notified pursuant to ARTICLE III of UMMC’s intention to discontinue procurement of any administrative service from the University as of July 1, 2022 and such notice was timely and remains in effect on April 1, 2022 then the University
shall discontinue that service on July 1, 2022 and the costs for such service shall be deducted from reimbursement due to the University under Schedule 1.

J. Proposed amendments to this Agreement, including amendments of the Exhibits and Schedules, must be stated in writing, and must be considered and recommended to the Board of Directors and the Board of Regents in the same manner that this Agreement was considered and recommended unless the two boards specify a different procedure.

K. 1. Without formal amendment of this Agreement, the President and the CEO/UMMC may by written agreement:

   (a) Increase or decrease the services provided to the Medical System Corporation at UMMC or Midtown by the University, provided that any such change in services provided by a University administrative unit or school will not result in a cumulative increase or decrease of more than twenty-five percent (25%) in the total agreed cost of services provided by that University administrative unit or school, as shown on Schedule 1, 2A, 2B, 2C, 3 or 4;

   (b) Increase or decrease the space of one party used by the other party, if such change will not result in a cumulative increase or decrease of more than ten percent (10%) in the compensation paid to the Medical System Corporation as shown on Schedule 5.

   2. Any actions pursuant to Paragraph 1 of this Section shall be effective as of the date agreed by the President and the CEO/UMMC. Payments thereafter shall be adjusted appropriately.

   3. The President and the CEO/UMMC may delegate to appropriate officers reporting to them authority to increase or decrease administrative services provided to UMMC by the University.

   4. Pending execution of contract amendments, changes in support from one party to the other may be made if the cumulative changes are within the limits for change by informal amendment set forth in this Section K and if the following conditions are satisfied:

      (a) Increases or decreases of compensation for services of School of Medicine faculty. As evidence of authorization of increases, there must be signed documentation reflecting the approval of the CEO/UMMC or designee and the Dean or designee. Documentation authorizing increases will be sent by UMMC to the School of Medicine Dean’s Office; documentation authorizing decreases will be sent by the School of Medicine Dean’s Office to UMMC.
(b) The University’s payments from UMMC for School of Medicine faculty physician services at UMMC and Midtown will be decreased by the amount of anticipated salary and fringe benefit turnover savings in excess of $1,500,000, the agreed turnover savings expectancy as reflected in Schedule 2A, resulting from turnover among faculty assigned at UMMC and Midtown and supported by the payments from UMMC. As confirmation of anticipated turnover savings, the Dean’s Office of the School of Medicine will send periodic written notice to UMMC’s Chief Financial Officer. If anticipated turnover savings exceed $1,500,000, the School of Medicine Dean’s Office and UMMC will adjust remaining semi-monthly payments accordingly. The University financial services offices will be notified by the School of Medicine Dean’s Office of any adjustment made due to increased turnover expectancy.

L. Unless the University is instructed to the contrary by UMMC, the University shall make such of its records as are necessary to verify the nature and extent of the costs of services provided to UMMC and Midtown available to the Secretary of the United States Department of Health and Human Services, the United States Comptroller General, and their duly authorized representatives to the extent required by law for a period of four years after services were provided. Similar access to records and contracts between the University and organizations related to the University or under contract to the University also shall be made available, to the extent required by law.

M. 1. The compensation from UMMC to the University for faculty, staff and resident services (see Schedules 2A, 2B, 2C, 3 and 4) includes a charge for fringe benefits at a standard faculty fringe benefit rate set by the University (subject to approval of the United States Government) for use in University grants and contracts. For UMMC funding to support salary and fringe benefit costs of University faculty and staff employees with responsibilities to UMMC and/or Midtown, as described in Schedules 2A, 2B, 2C and 3, ARTICLE VI, Section B, and ARTICLE X, Section D, Paragraph 3, the standard University fringe benefit rate for the relevant category of personnel will be used. For the Fiscal Year, the rates are 26.2% for faculty, 34.6% for exempt staff and 20.9% for residents. Fringe benefit changes during the Fiscal Year will be applied as of their effective date, and UMMC will be notified by the Dean’s Office or UMB financial services of revised rates and adjustments to required semi-monthly payments.

2. To aid in the implementation of the standard fringe benefit rate, the University will reduce the total annual payment required from UMMC under Schedules 2A, 2B, and 2C by the sum of $4,778,533. This adjustment will be applied pro rata against the payments referred to in ARTICLE X, Section D, Paragraph 2. This adjustment will not be increased if the total of Schedules 2A, 2B and 2C, or the total of any one of them, is increased by the parties’ agreement. Consistent with federal requirements pertaining to use of standard fringe benefit rates,
the University will not use or apply federal funds to reduce the payment due from UMMC as described in this Section.

N. SECTION INTENTIONALLY OMITTED.

O. No provision of this Agreement requiring the Medical System Corporation or UMMC to defend, indemnify, and hold harmless the State, the University, USM, or their personnel, is intended to waive the defenses of sovereign immunity, limited immunity, or any other immunity, or to waive any other defense available to any claim or action being defended by the Medical System Corporation pursuant to this Agreement. The Medical System Corporation or UMMC may assert on behalf of USM or the University all defenses that might be asserted by the Office of the Attorney General in opposition to such claims or actions. No provision of this Agreement requiring the Medical System Corporation or UMMC to defend, indemnify and hold harmless the State, the University, USM, or their personnel is intended to limit, waive, or release the Medical System Corporation’s or UMMC’s right or ability to sue or otherwise pursue any claim, lawsuit, loss, damage, or liability against any State, University or USM personnel resulting from such personnel's criminal conduct, gross negligence or malice outside the scope of public duties, including, but not limited to, embezzlement or other improper or illegal diversion of funds. The Medical System Corporation or UMMC will advise the President, the University, and the Office of the Attorney General before initiating any such action.

P. UMMC and the School of Medicine are part of an organized healthcare arrangement under the Health Insurance Portability and Accountability Act of 1976 ("HIPAA" - Public Law Number 104-191). UMMC and the University are not a single affiliated covered entity for HIPAA purposes.
ARTICLE XI. SUBSIDIARIES

The University approves the establishment of non-profit or for-profit subsidiaries or entities related to the Medical System Corporation subject to the conditions set forth in this ARTICLE XI. “Subsidiary” as used in this Article refers to a subsidiary or related entity, as defined in Section A.

A. Definitions

1. “Subsidiary” means a stock corporation if a majority of any class of its voting stock is owned by the Medical System Corporation, another subsidiary, or a related entity.

2. “Related entity” means any non-stock entity if the Corporation owns a controlling interest in the entity or controls election or appointment of a majority of the entity’s governing board.

B. Conditions Applicable to All Subsidiaries

The Board of Directors of the Medical System Corporation may establish or acquire subsidiaries. Unless otherwise specifically provided by action of the Board of Regents, State law, or other provisions of this Agreement, the following conditions shall be observed with respect to each subsidiary.

1. No land or buildings transferred at any time to the Medical System Corporation by the State or the University shall be transferred to a subsidiary without prior approval of the Board of Regents.

2. If the President of the University concludes at any time that the purpose of any subsidiary includes an activity affecting the educational or research activities of any professional school at the University, the President may name one of the members of the board of directors of the subsidiary.

3. The Medical System Corporation will require the subsidiary to indemnify any director named by the President to the fullest extent permitted by Maryland law and shall maintain commercial directors’ and officers’ liability insurance or other adequate insurance to protect the director from financial risk or loss. The director named by the President shall in no event be protected less fully than any other director of the subsidiary.
4. The Medical System Corporation shall defend, indemnify and hold harmless the University, the Board of Regents, and the officers and employees of the University with respect to any claims, demands, actions or suits asserted against the University relating to activities of a subsidiary. In the course of providing defense hereunder, the Medical System Corporation may raise defenses of sovereign immunity and other immunities available to the University to the extent provided by Maryland law and will consult with the Attorney General’s Office as appropriate. It is the intention of the parties that no defense available to the University, the Board of Regents or officers or employees of the University shall be waived or limited as a result of the Medical System Corporation’s agreement to defend and indemnify the University, the Board of Regents, and officers and employees of the University.

5. Unless otherwise specified in a written agreement between the President and the Chief Executive Officer, (a) subsidiaries of the Medical System Corporation shall have no contractual or operational relationship with the University other than affiliations for educational programs; and (b) the University shall have no involvement in the management or day to day operation of subsidiaries.

6. Annually, in connection with preparation of the Annual Contract, the Medical System Corporation shall report to the University the names and functions of all extant subsidiaries. If the Board of Regents determines that the Annual Contract should not grant continued approval for the operation of any subsidiary, the Medical System Corporation will terminate the subsidiary status of the entity in question. A term of one year shall be allowed for this action.

C. Existing Subsidiaries and Special Provisions

1. The subsidiaries of the Medical System Corporation as of June 30, 2021 are listed in Schedule 6. The Dean-M is required to be an ex officio voting member of the board of directors of the James Lawrence Kernan Hospital, Inc. (d/b/a University of Maryland Rehabilitation & Orthopaedic Institute), and Paragraph 2 of Section B is not applicable to that hospital.

2. Midtown, which is a subsidiary, is subject to the provisions concerning it that are included in this Agreement.

3. USM and the University approve the establishment of the Medical Center LLC as a subsidiary of the Medical System Corporation, as set out in State law, provided that the President of the University and the Dean-M are voting members of the Medical Center LLC board.
ARTICLE XII. OTHER AGREEMENTS

A. This Agreement, as mandated by Section 13-306 of the Medical System Law, must include all financial obligations between the parties.

B. The Medical System Corporation, the Medical Center LLC and the University have entered into a Mission Support Agreement (“MSA”) which will be effective during the Fiscal Year. The MSA is herein referenced and Exhibits A and B of the MSA are identified as Schedule 7 to this Agreement. Schedule 7 states an agreed lump sum payment to the School of Medicine due in October of the Fiscal Year, pursuant to the terms of the MSA, and the timeline for approvals of future amendments to the MSA and any payments under the MSA in successive Fiscal Years.
IN WITNESS WHEREOF, the parties, by their authorized officers, execute this Agreement.

UNIVERSITY SYSTEM OF MARYLAND
by University of Maryland, Baltimore

By:
_________________________________
Bruce E. Jarrell, MD
President
University of Maryland, Baltimore

________________________
Date

UNIVERSITY OF MARYLAND
MEDICAL SYSTEM CORPORATION

By: __________________________________
Mohan Suntha, MD, MBA
President & Chief Executive Officer
University of Maryland Medical System Corporation

________________________
Date

By: __________________________________
Bert W. O’Malley, MD
President and Chief Executive Officer
University of Maryland Medical Center LLC.

________________________
Date
SCHEDULE 1 - F.Y. 2022

PAYMENT TO UMB

FOR ADMINISTRATIVE SERVICES

<table>
<thead>
<tr>
<th>Administrative Services (Exhibit B)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Management (Operations and Maintenance)</td>
<td>$ 18,926</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$ 1,877,350</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$ 1,896,276</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Health and Safety (Exhibit C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMMC</td>
</tr>
<tr>
<td>Midtown</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
</tbody>
</table>

TOTAL

$ 2,552,417
## SCHEDULE 2A - FY 2022

SCHOOL OF MEDICINE FACULTY SERVICES

BASE PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER

<table>
<thead>
<tr>
<th>Department</th>
<th>Base Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anesthesiology</td>
<td>$12,946,241</td>
</tr>
<tr>
<td>Critical Care</td>
<td>2,540,500</td>
</tr>
<tr>
<td>Dermatology</td>
<td>166,876</td>
</tr>
<tr>
<td>Diagnostic Radiology</td>
<td>6,989,857</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>4,414,571</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>417,672</td>
</tr>
<tr>
<td>Infection Control / Epidemiology</td>
<td>336,012</td>
</tr>
<tr>
<td>Medicine</td>
<td>6,158,522</td>
</tr>
<tr>
<td>Neurology</td>
<td>1,519,959</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>835,569</td>
</tr>
<tr>
<td>OB/Gyn</td>
<td>5,494,112</td>
</tr>
<tr>
<td>Oncology</td>
<td>2,332,470</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>503,357</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>2,794,583</td>
</tr>
<tr>
<td>Otorhinolaryngology</td>
<td>920,142</td>
</tr>
<tr>
<td>Pathology</td>
<td>3,192,522</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>7,151,361</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>5,168,930</td>
</tr>
<tr>
<td>Radiation Oncology</td>
<td>2,027,740</td>
</tr>
<tr>
<td>Shock Trauma</td>
<td>10,353,617</td>
</tr>
<tr>
<td>Surgery</td>
<td>7,594,991</td>
</tr>
</tbody>
</table>

| Total Salary                              | 83,859,604  |
| Fringe Benefits Estimated at 26.20%       | 21,971,216   |
| Total Salary plus Fringes                 | $105,830,820 |
| Less: Turnover Savings                    | (1,500,000)  |
| Total Salary & Fringe Net of Turnover     | $104,330,820 |

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2021. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.

Turnover expectancy is the projected amount for fiscal year 2022. In the event that the turnover expectancy amount is under-achieved, the Medical System will pay 50% of the difference not to exceed $500,000 as provided in the annual contract.
<table>
<thead>
<tr>
<th>Department</th>
<th>FY2022</th>
<th>FY2023</th>
<th>FY2024</th>
<th>FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anesthesiology</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Critical Care</td>
<td>1,019,122</td>
<td>968,166</td>
<td>919,758</td>
<td>873,770</td>
</tr>
<tr>
<td>Dermatology</td>
<td>91,026</td>
<td>86,475</td>
<td>82,151</td>
<td>78,043</td>
</tr>
<tr>
<td>Diagnostic Radiology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Infection Control / Epidemiology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medicine</td>
<td>11,955,072</td>
<td>11,357,318</td>
<td>10,789,452</td>
<td>10,249,980</td>
</tr>
<tr>
<td>Neurology</td>
<td>925,238</td>
<td>878,976</td>
<td>835,027</td>
<td>793,276</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>3,984,400</td>
<td>3,785,180</td>
<td>3,595,921</td>
<td>3,416,125</td>
</tr>
<tr>
<td>Ob/Gyn</td>
<td>852,452</td>
<td>809,829</td>
<td>769,338</td>
<td>730,871</td>
</tr>
<tr>
<td>Oncology</td>
<td>429,607</td>
<td>408,127</td>
<td>387,720</td>
<td>368,334</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>1,676,779</td>
<td>1,592,940</td>
<td>1,513,293</td>
<td>1,437,628</td>
</tr>
<tr>
<td>Otorhinolaryngology</td>
<td>1,010,628</td>
<td>960,097</td>
<td>912,092</td>
<td>866,487</td>
</tr>
<tr>
<td>Pathology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>3,296,281</td>
<td>3,131,467</td>
<td>2,974,894</td>
<td>2,826,149</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Radiation Oncology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shock Trauma</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surgery</td>
<td>6,155,273</td>
<td>5,847,509</td>
<td>5,555,134</td>
<td>5,277,377</td>
</tr>
<tr>
<td>Total Salary</td>
<td>$31,395,878</td>
<td>$29,826,084</td>
<td>$28,334,780</td>
<td>$26,918,041</td>
</tr>
<tr>
<td>Fringe Benefits Estimated at 26.20%</td>
<td>8,225,720</td>
<td>7,814,434</td>
<td>7,423,712</td>
<td>6,756,428</td>
</tr>
<tr>
<td>Total Salary plus Fringes</td>
<td>$39,621,598</td>
<td>$37,640,518</td>
<td>$35,758,492</td>
<td>$33,674,469</td>
</tr>
</tbody>
</table>

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2021. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occurs as provided for in the annual contract.

Physician Service Contract (PSC) seed funding for fiscal year 2022 represents development funding as agreed by UMMC and UMSOM for each Department. Where specific three-year seed funding commitments exist, the seed support has been outlined for fiscal years 2022 through 2025. This schedule reflects agreements of the parties as of the date of the schedule. The commitments outlined on this schedule are not intended to limit additional commitments that will be negotiated between the parties, as appropriate. This schedule does not supersede or replace UMMC commitments for other spending provided to Chairs and Chiefs of Service.

Fiscal year 2022 through fiscal year 2025 seed support outlined assumes a stable operating and reimbursement environment for Maryland hospitals. Should unforeseen circumstances arise in the future that have a negative effect on UMMC's operating performance, continuation of this support, as well as relevant services provided, would, if necessary, be re-evaluated mutually. In the event that seed support is discontinued before the expiration of the three-year seed funding period, UMMC will provide UMSOM with written notice at least one month before UMSOM notification requirements for non-renewal of faculty appointments.
**SCHEDULE 2C - FY 2022**

**SCHOOL OF MEDICINE FACULTY SERVICES**

**BASE PAYMENTS FROM UNIVERSITY OF MD, MIDTOWN**

<table>
<thead>
<tr>
<th>Department</th>
<th>PSC: Total Base Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anesthesiology</td>
<td>$1,523,282</td>
</tr>
<tr>
<td>Critical Care</td>
<td>296,384</td>
</tr>
<tr>
<td>Dermatology</td>
<td></td>
</tr>
<tr>
<td>Diagnostic Radiology</td>
<td>725,659</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>2,233,180</td>
</tr>
<tr>
<td>Family Medicine</td>
<td></td>
</tr>
<tr>
<td>Infection Control / Epidemiology</td>
<td>44,229</td>
</tr>
<tr>
<td>Medicine</td>
<td>7,409,001</td>
</tr>
<tr>
<td>Neurology</td>
<td>328,711</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td></td>
</tr>
<tr>
<td>OB/Gyn</td>
<td></td>
</tr>
<tr>
<td>Oncology</td>
<td></td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>1,163,175</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>1,077,473</td>
</tr>
<tr>
<td>Otorhinolaryngology</td>
<td>216,068</td>
</tr>
<tr>
<td>Pathology</td>
<td>301,027</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>21,829</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>2,052,223</td>
</tr>
<tr>
<td>Radiation Oncology</td>
<td></td>
</tr>
<tr>
<td>Shock Trauma</td>
<td></td>
</tr>
<tr>
<td>Surgery</td>
<td>459,051</td>
</tr>
<tr>
<td><strong>Total Salary</strong></td>
<td><strong>17,851,291</strong></td>
</tr>
<tr>
<td>Fringe Benefits Estimated at 26.20%</td>
<td><strong>4,677,038</strong></td>
</tr>
<tr>
<td><strong>Total Salary plus Fringes</strong></td>
<td><strong>$22,528,329</strong></td>
</tr>
</tbody>
</table>

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2021. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.
SCHEDULE 3 - F.Y. 2022

PHARMACY SCHOOL/MEDICAL SYSTEM CORPORATION

PAYMENTS FROM MEDICAL SYSTEM CORPORATION TO SCHOOL OF PHARMACY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>$439,729</td>
</tr>
<tr>
<td>Staff</td>
<td>610,582</td>
</tr>
<tr>
<td>Residents</td>
<td>176,200</td>
</tr>
<tr>
<td>Fringe Benefits @26.2% (faculty),</td>
<td>363,296</td>
</tr>
<tr>
<td>34.6% (staff), 20.9% (resident)</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$1,589,807</strong></td>
</tr>
<tr>
<td>Operating Expense –</td>
<td></td>
</tr>
<tr>
<td>General Operating Residents</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,592,807</strong></td>
</tr>
</tbody>
</table>
SCHEDULE 4 - F.Y. 2022

DENTAL SCHOOL FACULTY SERVICES

PAYMENTS FROM MEDICAL SYSTEM CORPORATION

<table>
<thead>
<tr>
<th>Department</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dental School - UMMS</td>
<td>$475,934</td>
</tr>
<tr>
<td>Fringe Benefits @ 26.2%</td>
<td>124,695</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$600,629</strong></td>
</tr>
</tbody>
</table>

5/2021
sk4FY22
3/2021
sk5FY22

SCHEDULE 5 - F.Y. 2022
COMPENSATION FOR SPACE USAGE
WITHIN OTHER PARTY’S FACILITIES

Net owed to Medical System Corporation by UMB: $1,157,304
# Schedule 6 – F.Y. 2022

## University of Maryland Medical System Corporation Subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>Subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>36 S. Paca Street, LLC</td>
</tr>
<tr>
<td>2</td>
<td>CMROC, LLC</td>
</tr>
<tr>
<td>3</td>
<td>Dimensions Assurance Limited</td>
</tr>
<tr>
<td>4</td>
<td>Dimensions Health Corporation</td>
</tr>
<tr>
<td>5</td>
<td>James Lawrence Kernan Hospital, Inc.</td>
</tr>
<tr>
<td>6</td>
<td>MD Medicine Comprehensive Ins. Program</td>
</tr>
<tr>
<td>7</td>
<td>Mt Washington Pediatric Hospital, Inc.</td>
</tr>
<tr>
<td>8</td>
<td>Terrapin Insurance Company</td>
</tr>
<tr>
<td>9</td>
<td>UM Capital Region Health, Inc.</td>
</tr>
<tr>
<td>10</td>
<td>UMMC I, LLC</td>
</tr>
<tr>
<td>11</td>
<td>UMRMC I, Inc.</td>
</tr>
<tr>
<td>12</td>
<td>UMRMC, LLC</td>
</tr>
<tr>
<td>13</td>
<td>UMSJ Health System, LLC</td>
</tr>
<tr>
<td>14</td>
<td>University of Maryland Baltimore Washington Medical System, Inc.</td>
</tr>
<tr>
<td>15</td>
<td>University of Maryland Care Transformation Organization, LLC</td>
</tr>
<tr>
<td>16</td>
<td>University of Maryland Charles Regional Health, Inc.</td>
</tr>
<tr>
<td>17</td>
<td>University of Maryland Ecare, LLC</td>
</tr>
<tr>
<td>18</td>
<td>University of Maryland Health Ventures, LLC</td>
</tr>
<tr>
<td>19</td>
<td>University of Maryland Medical Center, LLC</td>
</tr>
<tr>
<td>20</td>
<td>University of Maryland Medical System Foundation, Inc.</td>
</tr>
<tr>
<td>21</td>
<td>University of Maryland Midtown Health, Inc.</td>
</tr>
<tr>
<td>22</td>
<td>University of Maryland Quality Care Network, LLC</td>
</tr>
<tr>
<td>23</td>
<td>University of Maryland Shore Regional Health, Inc.</td>
</tr>
<tr>
<td>24</td>
<td>University of Maryland Upper Chesapeake Health System, Inc.</td>
</tr>
<tr>
<td>25</td>
<td>UniversityCare, LLC</td>
</tr>
<tr>
<td>26</td>
<td>UMMS Ambulatory Care, LLC</td>
</tr>
<tr>
<td>27</td>
<td>University of Maryland Medical Regional Supplier Services, LLC</td>
</tr>
</tbody>
</table>
**EXHIBIT A**

**TARGET AREAS FOR FISCAL YEAR 2022 AND MISSION SUPPORT PAYMENT***

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Projected Funds Required</th>
<th>Specific Use of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program in Transplantation</td>
<td>$800,000</td>
<td>Pulmonary/Nephrology Medicine and Surgical Transplant</td>
</tr>
<tr>
<td>Neurosciences Services Line/Integrated Clinical Program</td>
<td>$800,000</td>
<td>Skull Based Surgery Training Program $300,000-(new recruit); Further Program integration Neurology/Neurosurgery $250,000, Chair of Neurosurgery Seed Commitment $250,000</td>
</tr>
<tr>
<td>Heart and Vascular (Cardiology Division Head Vision/Cardiac Surgery Rebuild, Congenital Heart, Children’s Heart Program)</td>
<td>$1.2 Million</td>
<td>NICU Cardiology Intensivist model, $350,000; CHP Programmatic support $550,000; Cardiac Surgery/Vascular Program $300,000</td>
</tr>
<tr>
<td>Personalized Medicine Program</td>
<td>$300,000</td>
<td>UMMC Support for translational research into precision medicine therapies (biomarker development, pharmacogenetics, etc.) for health advances, annual joint investment of 10 years.</td>
</tr>
<tr>
<td>Health Science Research Facility III</td>
<td>$5.2 Million</td>
<td>Applied by UMMS to repay an advance to UMSOM from mission support funds provided to UMSOM in earlier years. These funds are not being transferred to UMSOM in FY22.</td>
</tr>
</tbody>
</table>

*To be updated each Fiscal Year based upon the approved Target Areas and Mission Support Payment available for such Fiscal Year.

This Exhibit A of the Mission Support Agreement for Fiscal Year 2022 is agreed to and approved by the undersigned officers of the parties, intending to amend the Mission Support Agreement by adding this Exhibit A.

UNIVERSITY OF MARYLAND BALTIMORE

By: _______________________________ Date

Bruce E. Jarrell, MD
President, University of Maryland Baltimore
MISSION SUPPORT AGREEMENT
EXHIBIT A

UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE

By: ___________________________________________________________
    E. Albert Reece, M.D., Ph.D., MBA
    Executive Vice President for Medical Affairs
    University of Maryland Baltimore
    Dean, University of Maryland School of Medicine

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

By: ___________________________________________________________
    Mohan Suntha, MD, MBA
    President & Chief Executive Officer
    University of Maryland Medical System Corporation

UNIVERSITY OF MARYLAND MEDICAL CENTER LLC

By: ___________________________________________________________
    Bert W. O’Malley, MD
    President and Chief Executive Officer
    University of Maryland Medical Center LLC
TIMELINE FOR REVIEW AND APPROVAL PROCESS

The following is a timeline illustrating the dates on which Target Areas will be identified and approved and Mission Support Payment will be paid for a given Fiscal Year (July 1 to June 30), commencing with Fiscal Year 2022 (July 1, 2021 to June 30, 2022) (“FY22”).

<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>January* to February 2021</td>
<td>CEO and Dean identify and agree upon list of Proposed Target Areas and the projected amount of funds that will be applied to each Proposed Target Area for FY22 (the “Initial FY22 Proposal”).</td>
</tr>
<tr>
<td>March 2021</td>
<td>CEO and Dean present Initial FY22 Proposal to UMMC Finance Committee.</td>
</tr>
<tr>
<td>April 2021*</td>
<td>CEO and Dean present Initial FY22 Proposal, as revised based on feedback from UMMC Finance Committee, to President of UMB.</td>
</tr>
<tr>
<td>April 2021</td>
<td>CEO and Dean finalize Initial FY22 Proposal based on collective feedback from UMMC Finance Committee and President of UMB (the “Final FY22 Proposal”).</td>
</tr>
<tr>
<td>May 2021</td>
<td>UMMC Finance Committee meets to finalize UMMC FY22 operating budget. In connection with this process, the Final FY22 Proposal is presented for review and recommendation to the UMMC Board.</td>
</tr>
<tr>
<td>May 2021</td>
<td>UMMC Board reviews and, if acceptable, approves the Final FY22 Proposal as the Mission Support Payment for FY22.</td>
</tr>
<tr>
<td>October 2021** (in FY22)</td>
<td>Mission Support Payment for FY22 is made to School of Medicine based on the Mission Support Payment approval in May 2021.</td>
</tr>
<tr>
<td>January 2022 to June 2022</td>
<td>Review and approval process outlined for FY22 above is repeated for FY23.</td>
</tr>
<tr>
<td>October 2022 (in FY 23)</td>
<td>Mission Support Payment for FY 23, approved in FY22, is paid to School of Medicine based on the Mission Support Payment calculation in Fiscal Year 22 for Fiscal Year 23.</td>
</tr>
</tbody>
</table>

*Quarterly Report from School of Medicine regarding its Target Area spending for FY21 is also due during this time.

**Annual Report from School of Medicine summarizing its Target Area spending for FY21 is also due this month.
EXHIBIT A - F.Y. 2022

MEDICAL SYSTEM CORPORATION
PRE-CLINICAL EDUCATION REQUIREMENTS

(applicable to UMMC, Kernan, and Midtown (collectively, "Affiliated Sites"))

I. Education

A. Universal Blood/Body Fluid Precautions & Infection Control (OSHA)
B. Prevention of Hepatitis B Virus Infection (OSHA)
C. Handling of Contaminated Needles and other Sharps (OSHA)
D. Management of Blood Spills (OSHA)
E. Procedures of Reporting and Management of Occupational Exposure to Blood/Body Fluids/Tissue (OSHA)
F. Fire Safety (OSHA)
G. Hazardous Materials (OSHA)
H. Health Insurance Portability and Accountability Act (HIPAA)

II. Health Insurance

Students must have health insurance satisfying UMB requirements. The health care sites will provide first aid for minor illnesses or injuries, at expense of students, or students may seek first aid from the UMB Student Health office.

III. Immunizations/Evidence of Immunity/Other Health Information

A. Measles/Mumps/Rubella
B. HBV vaccination or certificate of declination
C. Varicella
D. Negative PPD for Tuberculosis, or other medical evidence acceptable to the health care site if PPD is not negative

IV. Documentation

UMB shall maintain documentation that students assigned to Affiliated Sites have satisfied the above requirements.
EXHIBIT B - F.Y. 2022

FACILITIES MANAGEMENT (OPERATIONS AND MAINTENANCE):

Trash pickup along the south side of Baltimore Street from Arch Street to Greene Street. This includes sweeping and picking up litter. Emptying trash can is not included.

Using plows or snow throwers, but not by hand shoveling, to open the following areas to vehicular traffic:

-- Ambulance bays along the east side of Penn Street between Lombard and Redwood Streets; and

-- Loading dock facilities at the rear of UMMC adjoining Arch and Redwood Streets south of Baltimore Street.

In case of extraordinary snow events (generally six inches and above) UMB may bring in outside snow removal contractors. UMMC will reimburse UMB for an appropriate share of the cost of such contractors if UMMC requires services of the contractors.

Also, in case of extraordinary event, UMB, subject to availability of personnel and equipment of UMB and/or its contractors, will assist UMMC upon request in opening and maintaining sidewalks adjoining UMMC.

MAIL SERVICES:

Delivery and pick up of mail to and from UMMC central mailroom.

POLICE DEPARTMENT:

A. **Police Services.** UMB will provide supplemental Police Department services for UMMC, supporting the UMMC Security Operations. The UMB Chief of Police or designee and the UMMC Director of Security will agree upon protocols for (a) notice to UMMC of security/safety incidents that may
impact or concern UMMC; (b) police services being provided in a manner compliant with regulatory requirements applicable to UMMC, including JCAHO standards; and (c) compliance with requirements of the federal Clery Act applicable to UMB that include emergency reporting rules, criminal activity data reporting, and annual reporting for an area including UMB, UMMC, and some adjacent properties that are owned or leased by UMMS or other UMB and UMMC affiliates.

In return for UMMC support paid to UMB, the UMB Police Department shall include one uniformed police officer, 24 hours a day, 7 days per week, integrated into the campus patrol, and one uniformed police officer, 24 hours a day, 7 days per week, posted at the UMMC Emergency Department.

The duties and responsibilities of the police officer supported by UMMC payments and integrated into the campus patrol will include but will not be limited to patrolling the sidewalks bordering University Plaza and the sidewalks along commercial corridors east of the campus (e.g., 400 block of West Baltimore Street) and UMB campus walkways and UMB parking garages used by UMMC staff, patients, and visitors. Upon reopening of Lexington Market, patrols will include Paca Street, between UMMC and the Market.

The duties and responsibilities of the police officer supported by UMMC payments and posted to the Emergency Department of UMMC will be as follows:

The Emergency Department includes the waiting areas and treatment areas of the Adult Emergency Department and the Pediatric Emergency Department. The Emergency Department Officer will be assigned to a stationary fixed post in the Emergency Department. The Emergency Department Officer will be assisted on an as-needed basis, as the Emergency Department Officer or the supervisor of that officer determines necessary, by the uniformed police officer integrated into the campus patrol.

The duties of the Emergency Department Officer will include but are not limited to:

Promptly responding to all calls from UMMC for assistance in or around the immediate area of the Emergency Department, including the immediate exterior of the Emergency Department building as necessary, to mitigate or deescalate the situation requiring the officer’s involvement.
Maintaining order in the Emergency Department, and assisting and backing up UMMC Security on incidents which occur in or around the immediate area of the Emergency Department.

Attending weekly and/or monthly meetings with UMMC Security to discuss issues and trends and to share intelligence and statistics. Officers will not have to attend meetings held at times when the officers are off duty.

Assisting staff of the Emergency Department to file statements of charges with law enforcement if the staff are victims of threats, acts of violence, etc.

Enforcing all applicable laws through exercise of lawful police authority, including the authority to make arrests when appropriate.

Performing all police related duties, or other duties specified by the Police supervisor, acting at all times in the best interests of the University and UMMC.

Upon request of UMMC Security, assisting it when problems arise in controlling the ingress and egress of UMMC personnel at the Emergency Department and Shock Trauma entrances of UMMC.

Directing visitors to Emergency Department registration clerks. Assisting UMMC staff upon request in the event of issues or problems related to visitors.

Providing assistance to UMMC medical and psychiatric personnel in handling patients when so requested. Assisting UMMC Security to render weapons safe prior to UMMC Security handing the weapons over to the Baltimore City Police Department.

Remaining in the Emergency Department and surrounding areas, except in the event of responding to a Police Department supervisor’s order to assist UMMC security and/or the Baltimore City Police in responding to an incident of the following nature: special incidents such as bomb threats, fires, combative or psychotic patients, and suicide attempts. The City Police are expected to be the primary responding law enforcement unit for most special incidents. The UMB Police Department and the City Police will coordinate
responses in accordance with any protocols developed by the City Police, UMB Police, and UMMC security.

Advising the UMMC Security Shift Supervisor promptly of any incidents that occur within the Emergency Department that could potentially negatively impact UMMC.

UMMC shall provide space in the Emergency Department where the Emergency Department Officer can observe the entire waiting area for the AED. UMMC will equip such space with TV surveillance equipment for purposes of monitoring the Emergency Department By-Pass Corridor from the Security Desk.

The cost of salary and fringe benefits for both uniformed police officers assigned as discussed in this Exhibit B are included in Schedule 1 to the Annual Contract and will be billed and paid as provided in the Annual Contract. UMB will bill, and UMMC will pay, the costs of any equipment that must be purchased for the police officers assigned in the Emergency Department (such as uniform clothing and equipment, radio, and ballistic vest). Any Personal Protective Equipment (including but not limited to N-95 masks) required to be used by the police officers posted to the Emergency Department will be provided by UMMC, and fit tests for provided masks will be the responsibility and expense of UMMC. Any additional Personal Protective Equipment required by UMB for the officers will be purchased by UMB and billed to UMMC. Personal Protective Equipment provided by UMMC to police officers will be consistent with equipment provided for UMMC personnel in the Emergency Department who are not routinely involved in patient care.

Annual equipment costs for each new Emergency Department police officer are estimated to be less than $4,000. Personal Protective Equipment costs incurred by UMMC for the safety of the police officers cannot be estimated.

B. Security Officer Services.

The Police Department will provide services of roving security officers posted to patrols outside UMMC and UMB buildings. The security officers are not sworn police officers. Security officer posts and patrols will be established by agreement of the UMB Chief of Police and the UMMC Director of Security. The patrols will be on the east side of Martin Luther King Jr. Boulevard and will not include the BioPark area on the west side of that road.
A maximum of 33 security officers, including both supervisors and patrol officers without supervisory roles, will be hired by UMB and assigned for external campus security patrols. The security officers will be assigned to patrols set up to cover two shifts per day, Monday through Friday. Initially, security officer coverage will be scheduled between 6:30 a.m. and 11:30 p.m. The schedule of shifts may be revised by agreement of the University and UMMC. Routes and locations of security officer patrols, and the number of security officers assigned at specific times on specific routes, will be determined by the Police Department after consultation with UMMC. The UMMC Assistant Director of Security or his/her designee will be invited to participate in the selection of new security officers as any vacancies are filled.

UMMC will pay one half of the cost of the salaries, fringe benefits, and one-time expenses (such as uniform clothing, segways, radios, and other equipment) related to equipping the security officers and supervisors for the external campus patrols.

Estimated payroll and fringe benefit costs for security officers are stated in Schedule 1 of the Annual Contract and will be billed as described in the Annual Contract. After the close of Fiscal Year 2022, actual costs of employment of the security officers during that fiscal year will be determined, and a refund or credit will be issued to UMMC if, due to vacancies, one-half of the cost of security officer employment for external patrols is less than the sum stated in Schedule 1.

Costs to equip the security patrol officers and supervisors will be determined on a quarterly or semi-annual basis, as determined by the Police Department, and one-half of the costs will be billed to UMMC. Payment of any invoice for equipment costs will be due within 45 days after a bill is submitted to UMMC.

C. UMMC will seek the emergency or non-emergency services of the Baltimore City Police Department (BCPD) in the event police services inside UMMC or UMMS buildings, or on UMMC or UMMS property, are requested by UMMC or are needed to back up the UMB police officer in the Emergency Department. The UMB Police will respond upon the request of the BCPD in emergency situations.

D. The UMB Chief of Police or designee will advise the UMMC Director of Security of any incidents that may occur on the UMB campus that the UMB Police Department is aware of that could negatively impact UMMC, its patients, staff,
and visitors. The UMMC Director of Security will coordinate the sharing of
information to the UMB Chief of Police or designee about crimes that may pose a
serious threat to the health or safety of the campus and near-campus
communities to facilitate the issuance of Clery Act-required timely warnings and
emergency notifications. The Parties acknowledge that UMB need not obtain the
approval to issue any warnings/notifications, nor is UMB required to seek
preclearance of the content of any warning/notification. However, the Parties will
create a system to inform each other about such warnings. For purposes of this
paragraph D, “UMB campus” means all UMB-owned buildings, garages, parks,
and other grounds on the east side of Martin Luther King Jr. Blvd. between
Washington Blvd. and Saratoga Streets, and “UMMC complex” means UMMC
buildings (to include the R Adams Cowley Shock Trauma Center), UMMS owned
or controlled parking lots and garages, the Paca/Pratt Building, and any other
buildings on the UMB campus owned, leased or managed by UMMC or UMMS.

E. The payment by UMMC for UMB Police Department services shall be in the
amount, and payable upon the schedule, provided in the Annual Contract
between UMB and UMMS. The payment compensates UMB for the services of
two police officers, 24 hours per day, 7 days per week, and associated
supervisory and administrative costs. This payment will cover the cost of salaries
and fringe benefits of the officers required to staff two positions on a 24/7 basis.
The payment also compensates UMB for one-half of the salary, supervision and
administrative costs of the security officers UMB will employ to staff the agreed
security patrols. The total number of security officers employed will not exceed
thirty-three (33).

F. The UMB Police Department shall maintain records and issue reports to the
UMMC Director of Security to include documentation of any:

1. Overtime paid to police officers involved in UMMC related arrests;

2. Court time for court appearances by police officers involved in UMMC
related arrests; and

3. Copies of police reports concerning UMMC related arrests.

G. On a fee for service basis, total cost not to exceed $5,000 per year without the
prior authorization of the UMMC Director of Security, the UMB Police Department
will charge UMMC for services described in F.1 and F.2 above.
1. Bills for court time will be supported by documentation of the case, the subpoena issued to any UMB police officer whose court time is being charged, and a court clerk sign off evidencing the officer’s attendance in response to a subpoena.

2. Court time or overtime will be billed at UMB’s cost, taking into account shift differentials as applicable.

H. The UMB Police Department shall maintain records of services provided to the UMMC complex upon request of the BCPD in response to emergency or non-emergency calls. A copy of the records shall be provided to UMMC on a quarterly basis. The records shall include:

1. Number of BCPD calls for support for emergency service, and number of calls for support for non-emergency service

2. Nature of calls

3. Number of arrests

4. Number of persons arrested by sex and age

5. Number of noncriminal calls

6. Nature of assistance given

7. Location of reported incidents

8. Unit response time

9. Amount of time spent handling calls for service

I. The UMB Police Department will supply the UMMC Director of Security with detailed support documentation for any fee for service activity.

J. Unless otherwise provided by any section of the Annual Contract or the laws of Maryland applicable to UMMC or UMMS, (1) the Attorney General of Maryland, or a member of the Attorney General’s office, or counsel designated by the
Attorney General, shall appear in a civil action against a police officer or security officer to represent the officer, subject to the determination of the Attorney General that the officer is eligible for State representation as provided in the State Government Article, sections 12-304 to 12-310; and (2) the State of Maryland shall provide adequate funds for the satisfaction of any monetary award that has been rendered against a police officer or security officer in connection with a claim related to the officer's duties, subject to the requirements of the State Government Article, sections 12-401 to 12-406.
Exhibit C – Part 1 - F.Y. 2022
UMB Environmental Health and Safety (EHS) - UMMC Services

EHS provides services to UMMC in two major program areas. Radiation Safety Services are provided under the University of Maryland Baltimore (UMB) Broad Scope License and are managed by the UMB Radiation Safety Officer (RSO) with the assistance of several health physicists and support from the EHS Operations unit. The Hazardous Chemical Waste Management Program is managed by the EHS Environmental Manager with support from other EHS team members. Administrative support is provided for the dosimetry program and various recordkeeping and financial activities through the administrative support group at EHS. Program management for providing services to UMMC is provided by the Director of EHS.

A. Radiation Safety Services include the following:

1) Radiation Safety Officer (RSO). Provide the services of a qualified RSO as designated on the UMB Broad Scope License (#07-014-01-MD) and approved by the Maryland Department of the Environment (MDE). The RSO is responsible for the implementation of the radiation safety program in UMMC.

2) UMB Broad Scope License. Maintain the UMB Broad Scope License to enable the use of diagnostic and therapeutic radioactive materials and radiopharmaceuticals by established policy and procedures. This includes:
   a) Coordinate and participate in the biennial MDE radioactive materials inspection
   b) Conduct monthly radiation safety program inspections
   c) Perform annual audit of the radiation safety program
   d) Provide support for Centers for Medicare and Medicaid Services and Joint Commission inspections as needed
   e) Coordinate license amendments for new procedures
   f) Maintain Authorized Users’ status for Residents and Fellows, Authorized Medical Physicist status for Medical Physicists, and Authorized nuclear Pharmacists status for Nuclear Pharmacists

3) Radiation Safety Committee. Administer a Radiation Safety Committee (RSC) to include physicians, hospital administration, ancillary personnel, and Authorized User members. This includes:
   a) Facilitate quarterly RSC meetings including the oversight RSC and Human Use Subcommittee as well as support Radioactive Drug Research Committee meetings
b) Develop, coordinate, distribute, and edit meeting minutes along with applicable follow-up

c) Develop and distribute quarterly and annual reports

d) Conduct procedure and policy reviews

e) Conduct As Low as Reasonably Achievable (ALARA) program reviews

f) Provide necessary radiation safety compliance and safety support

4) Radiation Exposure Monitoring. Maintain a Radiation Exposure Monitoring Program for personnel who work under the University of Maryland Baltimore Broad Scope License or who work with radiation producing machines. This includes:

a) Distribute, collect, and process dosimeters assigned to approved persons working at UMMC or approved locations within UMMC in accordance with the regulatory requirements outlined in COMAR 26.12.01.01, Sections D.201, D.202, D. 208, D.502 and D.1107

   a. The costs associated with dosimeters and their analysis by a National Voluntary Laboratory Accreditation Program accredited vendor is the responsibility of UMMC and will be billed quarterly by UMB EHS

b) Review exposure reports of employees; employees who exceed exposure thresholds as set by the RSC, or as necessary, will result in the following actions:

   a. Follow up, evaluate, and where indicated, perform an investigation into the circumstances surrounding the unusual or overexposure of dosimeters

c) Provide exposure summaries to other institutions upon receipt of an approved release form (in accordance with COMAR 26.12.01.01 Section D.205) for former UMMC employees that were previously enrolled in the dosimetry program

d) Request and review prior employment exposure history for new UMMC employees enrolled in the UMB exposure control program in accordance with COMAR 26.12.01.01 Section D.205

e) Evaluate potential exposure for declared pregnant workers by reviewing their exposure history. Based on the result of this review, communicate with the employee, the employee’s supervisor, and UMMC management about recommendations for possible changes to assigned duties

f) When determined to be necessary by the RSO, use various bioassay methods to determine internal deposition of radioactive materials and resultant dose from absorption, ingestion, injection, or inhalation as a
result of spills, accidental releases, or through certain therapeutic administrations of radioactive materials

g) Provide monitoring in areas that have the potential to reach or exceed dose limitations as outlined in COMAR 26.12.01.01 Section D.301

h) Track individual, group, and overall exposure trends as determined to be necessary by UMB EHS

i) Administer the ALARA exposure reduction program as required by COMAR 26.12.01.01 Part D

5) Radioactive Materials Receipt and Inventory Control. Maintain a Radioactive Materials Receipt and Inventory Control program covered under the UMB Broad Scope License in accordance with the license conditions and COMAR 26.12.01.01 Part A.4(c).

6) Shipping of Radioactive Materials. Provide packaging and transportation preparation assistance for off-site shipments in accordance with state and federal regulations for radioactive materials that were obtained under the UMB Broad Scope License.

7) Therapeutic Procedures. Provide health physics radiation safety services for therapeutic procedures using radioactive materials. Services include facility preparation, procedure monitoring, post-treatment contamination evaluation, site decontamination, and disposal of contaminated materials for the following:

a) Iodine – 131 Ablation procedures. The support described above will be provided for up to 12 procedures in the contract period. Support for procedures in excess of 12 will be billed to UMMC at the rate of $1,000 per procedure.

b) Yttrium - 90 Sirsphere and Therasphere procedures. The support described above will be provided for up to 150 procedures in the contract period. Support for procedures in excess of 150 will be billed to UMMC at the rate of $350 per procedure.

c) Gliasite procedures. The support described above will be provided for up to 2 procedures in the contract period. Support for procedures in excess of 2 will be billed to UMMC at the rate of $350 per procedure.

d) For support of radioactive materials procedures not named above, support will be billed to UMMC at the rate of $60 per hour for technical staff and $100 per hour for the RSO.
8) Sealed Sources. Conduct radiological inventories, and contamination (i.e., leak tests) surveys for sealed radioactive sources used under the UMB Broad Scope License in accordance with COMAR 26.12.01.01 Part C.37, C.43 (g) and D.40.

9) Inspections and Compliance. Administer an inspection and compliance program that includes the following:
   a) Conduct periodic audits of areas where radioactive materials are used under the UMB Broad Scope License to determine compliance with applicable license conditions and State regulations
   b) Provide recommendations, guidance, and oversight for the implementation of actions required to control radiation exposure to UMMC personnel who work in areas where radioactive materials are used under the UMB Broad Scope License

10) Training. Provide training in various applicable topics to personnel using radioactive material obtained under the UMB Broad Scope License as required by license conditions and COMAR 26.12.01.01 Part J.12 and G.310 and G.410. Provide training in various applicable topics to personnel operating (or working in close proximity to) radiation producing machines under UMB registration(s).

11) Emergency Response. Provide 24-hour emergency response for radiation accidents/incidents at locations within UMMC where radioactive materials are used under the UMB Broad Scope License.
   a) During normal business hours (8:00 a.m. – 4 p.m. M-F), response time will be 90 minutes or less following notification.
   b) After regular EHS business hours, on weekends, and holidays, response time will be 4 hours or less.

12) Radiation Producing Machines. This program includes the following services:
   a) Conduct certification inspections, completion of associated paperwork, and follow-up inspections, as needed
   b) Conduct annual compliance testing to include, but not limited to, evaluation of compliance with COMAR 26.12.01.01 Section F
   c) Conduct other testing such as “The Joint Commission” accreditation testing and new machine acceptance testing
   d) Perform machine inspections following repair or component changes, or other follow-up inspections as deemed necessary by EHS
   e) Provide consultation related to regulatory compliance and other radiation safety issues pertaining to radiation-producing machines
   f) Provide assessments of patients’ radiation dose as they apply to COMAR public dose thresholds
g) Develop and submit paperwork to renew UMMC’s radiation-producing machine registrations, which are issued by MDE. Develop and submit paperwork to add units to and remove units from UMMC’s registrations
h) Develop and distribute a quarterly report for the Radiation Safety Committee
i) Conduct radiation safety audits to include notification of potential violations and suggestions for corrective actions to be taken by UMMC
j) Offer annual UMMC radiation safety training for UMMC employees
k) Provide Fluoroscopic safety training for UMMC physicians using fluoroscopy
l) Upon request of UMMC, and subject to the availability of EHS resources, perform shielding design for radiation producing machines covered by this agreement.

13) Radioactive Waste Management. These services include:
   a) Provide technical assistance to UMMC personnel in the identification and management of radioactive waste generated under the UMB Broad Scope License
   b) Collect and process radioactive waste consigned to UMB for on-site disposal
   c) Review procedures and records for radioactive waste held for on-site decay by UMMC’s Nuclear Medicine Pharmacy
   d) Prepare radioactive waste for off-site disposal to include preparation of radioactive waste manifests
   e) The costs associated with analysis and actual disposal of radioactive materials is the responsibility of UMMC and will be billed quarterly

14) The University is responsible for research support. Human subjects protocol reviews and follow-up are excluded from these Radiation Safety Services.

B. Hazardous Chemical Waste Management. These services include the following:

1) Services will be provided for UMMC facilities covered under Hazardous Waste Generator Permit No. MDD150702553.
   a) Coordinate UMMC participation in a University System of Maryland contract for the disposal of chemical waste
   b) Provide technical assistance to UMMC personnel for the identification and proper handling and management of hazardous chemical waste
   c) Pick and up movement of hazardous chemical waste from the point of generation to facilities designated for use by UMMC for the accumulation, processing, and temporary storage of hazardous chemical waste
   d) Prepare the Hazardous Waste Manifest (Form OMB No. 2050-0039) in accordance with 40 CFR 262.20 and the Land Disposal Restriction form in accordance with 40 CFR 268.7 for signature by UMMC personnel
   e) Prepare and submit the biennial report in accordance with 40 CFR 242.41 for signature by UMMC personnel.
2) The costs associated with analysis of hazardous chemical waste; materials, supplies, and services used in the analysis or disposal; or modifications to the accumulation facilities which may be necessitated by the quantities or types of waste generated will be the responsibility of UMMC. The costs will be included in quarterly billing. The cost for disposal of hazardous chemical waste will be the responsibility of UMMC and will be paid directly to the successful vendor of the contract awarded in B(1)(a).

3) In order for both parties to be in compliance with applicable laws, regulations, and standards for the management of hazardous chemical waste, UMMC will:
   a) If classified as a large quantity generator, write a contingency plan in accordance with 40 CFR 264 Subpart D and 40 CFR 265 Subpart D (can be combined with the Emergency Action/Fire Prevention Plan required by 29 CFR 1910.132)
   b) Train UMMC hazardous waste personnel per COMAR 26.13.05.02 and 49 CFR 172 Subpart H
   c) Store hazardous waste at the point of generation per 40 CFR 265.170-178
   d) Hazardous waste storage facilities shall meet NFPA and IBC code requirements as well as the requirements in 40 CFR 265.1100

4) UMMC management is responsible for taking corrective actions in a timely fashion to ensure compliance with all aspects of this program based upon written recommendations from UMB EHS.

C. Contingencies
   It is recognized by both parties that additional services may be needed during the Fiscal Year. These services may be an expansion of the type or number of existing services, or may be new services. UMB EHS has typically been able to manage these unrecognized services without additional cost through careful evaluation of priorities, the efficiency and productivity of EHS personnel, and in some instances, temporarily assigning EHS personnel from other areas to assist.

   If during the Fiscal Year, EHS is asked by UMMC to provide additional or new services, or EHS identifies the need for a significant expansion of services to maintain compliance with the UMB Broad Scope License requirements and conditions that cannot be effectively managed by existing resources, UMMC management will be consulted regarding the need to increase the cost of the contract or direct bill for external contracted services. Examples may include extensive planning and radiation safety staff support for a new type of radiation therapy, extensive auditing and procedure review for a compliance inspection, or request for services for a new building or expansion of the existing facility.
Exhibit C – Part 2 - F.Y. 2022
UMB Environmental Health and Safety (EHS) – Midtown Services

EHS provides radiological safety services to University of Maryland Midtown Campus (Midtown) in two major program areas, radioactive materials and radiation producing machine operations. Radiation Safety Services are provided by the University of Maryland Baltimore (UMB) “Radiation Safety Program” which is managed by the UMB Radiation Safety Officer (RSO). Administrative support will also be provided for Midtown’s dosimetry program and various recordkeeping and financial activities through an administrative support group at UMB EHS. Program management for the services is provided by the Director of UMB EHS.

A. Radiation Safety Services include the following:

1) RSO. UMB will provide a RSO who is responsible for the implementation of the radiation safety program at Midtown.

2) Specific License(s). Maintain Midtown’s two (2) specific Radioactive Material Licenses to enable the use of diagnostic and therapeutic radioactive materials and radiopharmaceuticals by established policy and procedures. This includes:
   a) Coordinate and participate in MDE radioactive materials inspection for each specific license
   b) Conduct monthly radiation safety program inspections
   c) Perform annual audit of the radiation safety program for each specific license
   d) Provide support to Centers for Medicare and Medicaid Services and Joint Commission inspections as needed
   e) Coordinate license amendments as required by regulation
   f) Maintain Authorized Users’ status for Residents and Fellows, Authorized Medical Physicist status for Medical Physicists, and Authorized nuclear Pharmacists status for Nuclear Pharmacists

3) Radiation Safety Committee. Administer a Radiation Safety Committee that meets regulatory requirements. This includes:
   a) Quarterly committee meetings
   b) Develop, coordinate, distribute, and edit meeting minutes along with applicable follow-up
   c) Develop and distribute quarterly and annual reports
   d) Conduct procedure and policy reviews

{00159948-4}
e) Conduct As Low as Reasonably Achievable (ALARA) program reviews

f) Provide necessary radiation safety compliance and safety support

4) Radiation Exposure Monitoring. Maintain a Radiation Exposure Monitoring Program for personnel who work under the Midtown Radioactive Material licenses and who work with Midtown’s radiation producing machines. This includes:

a) Assure that all staff meeting regulatory requirements outlined in COMAR 26.12.01.01 are assigned a personnel monitoring device (i.e., dosimeter).

b) Distribute, collect, and process dosimeters assigned to approved persons working at Midtown.

   a. The costs associated with dosimeters and their analysis by a National Voluntary Laboratory Accreditation Program accredited vendor is the responsibility of Midtown and will be billed quarterly to UMMC, for the account of Midtown, by UMB EHS.

c) Review exposure reports of employees, employees who exceed exposure thresholds as set by the Radiation Safety Committee, or as necessary, will incur:

   a. Follow up, evaluate, and where indicated, perform an investigation into the circumstances surrounding the unusual or overexposure of dosimeters.

d) Provide exposure summaries to other institutions upon receipt of an approved release form (in accordance with COMAR 26.12.01.01 Section D.205).

e) Request prior employment exposure history for new Midtown staff who had been issued a dosimeter at their previous place of work and who intends to work with radiation at Midtown.

f) Evaluate potential exposure for declared pregnant workers by reviewing their exposure history. Based on the result of this review, communicate with the employee, the employee’s supervisor, and UMMC management about recommendations for possible changes to assigned duties.

g) When determined to be necessary by the RSO, use various bioassay methods to determine internal deposition of radioactive materials and resultant dose from absorption, ingestion, injection, or inhalation as a result of spills, accidental releases, or through certain therapeutic administrations of radioactive materials.

h) Provide monitoring in areas that have the potential to reach or exceed dose limitations as outlined in COMAR 26.12.01.01 Section D.301.
i) Track individual, group, and overall exposure trends as determined to be necessary by UMB EHS
j) Administer the ALARA exposure reduction program as required by COMAR 26.12.01.01 Part D

5) Radioactive Materials Receipt and Inventory Control. Maintain a Radioactive Materials Receipt and Inventory Control program in accordance with the license conditions and COMAR 26.12.01.01 Part A.4.

6) Therapeutic Procedures. Provide health physics radiation safety services for therapeutic procedures using radioactive materials. Services include facility preparation, procedure monitoring, post-treatment contamination evaluation, site decontamination, and disposal of contaminated materials for the following:
a) I-131 procedures. The support described above will be provided for up to 12 procedures in the contract period. Support for procedures in excess of 12 will be billed to UMMC for the account of Midtown at the rate of $1,000 per procedure.
b) For support of radioactive materials procedures not named above, support will be billed to UMMC for the account of Midtown at the rate of $60 per hour for technical staff and $100 hour for the RSO.

7) Sealed Sources. Conduct radiological inventories, and contamination (i.e., leak tests) surveys for sealed radioactive sources in accordance with COMAR 26.12.01.01 Part C.37, C.43 (g) and D.40.

8) Inspections and Compliance. Administer an inspection and compliance program that includes the following:
a) Conduct periodic audits of areas where radioactive materials are used at Midtown to determine compliance with applicable license conditions and State regulations
b) Provide recommendations, guidance, and oversight for the implementation of actions required to control radiation exposure to Midtown personnel who work in areas where radioactive materials are used and radiation producing machines operate.

9) Radioactive Waste Management. These services include:
a) Provide technical assistance to Midtown personnel in the identification and management of radioactive waste
b) Review procedures and records for radioactive waste held for on-site decay at Midtown
c) Assist with preparing radioactive waste for off-site disposal to include preparation of radioactive waste manifests  

d) The costs associated with analysis and actual disposal of radioactive materials is the responsibility of Midtown and will be billed to UMMC for the account of Midtown

10) Training. Provide training in various applicable topics to personnel using radioactive material (or working in close proximity to) radiation producing machines as required by license conditions and COMAR 26.12.01.01 Part J.12 and G.310 and G.410.


a) During normal business hours (8:00 a.m. – 4 p.m. M-F), response time will be 90 minutes or less following notification.

b) After regular EHS business hours, on weekends, and holidays, response time will be 4 hours or less.

12) Radiation Producing Machines. This program includes the following services:  

a) Conduct certification inspections, completion of associated paperwork, and follow-up inspections, as needed

b) Conduct annual compliance testing to include, but not limited to, evaluation of compliance with COMAR 26.12.01.01 Section F

c) Conduct other testing such as “The Joint Commission” accreditation testing and new machine acceptance testing

d) Perform machine inspections following repair or component changes, or other follow-up inspections as deemed necessary by EHS

e) Provide consultation related to regulatory compliance and other radiation safety issues pertaining to radiation-producing machines

f) Provide assessments of patients’ radiation dose as they apply to COMAR public dose thresholds

g) Develop and submit paperwork to renew Midtown’s radiation-producing machine registrations, which are issued by MDE. Develop and submit paperwork to add units to and remove units from Midtown’s registrations

h) Develop and distribute a quarterly report for the Radiation Safety Committee

i) Conduct radiation safety registration compliance audits to include notification of potential violations and suggestions for corrective actions to be taken by Midtown

j) Offer annual radiation safety training for Midtown employees

k) Provide Fluoroscopic safety training for physicians using fluoroscopy

l) Upon request, and subject to the availability of EHS resources, perform shielding design for radiation producing machines covered by this agreement.

B. Contingencies
It is recognized by both parties that additional services may be needed during the Fiscal Year. These services may be an expansion of the type or number of existing services, or may be new services. UMB EHS has typically been able to manage these unrecognized services without additional cost through careful evaluation of priorities, the efficiency and productivity of EHS personnel, and in some instances, temporarily assigning EHS personnel from other areas to assist.

If during the Fiscal Year, EHS is asked by Midtown to provide additional or new services, or EHS identifies the need for a significant expansion of services to maintain compliance with the UMB Broad Scope License requirements and conditions that cannot be effectively managed by existing resources, Midtown management will be consulted regarding the need to increase the cost of the services or direct bill UMMC, for the account of Midtown, for external contracted services. Examples may include extensive planning and radiation safety staff support for a new type of radiation therapy, extensive auditing and procedure review for a compliance inspection, or request for services for a new building or expansion of the existing facility.
TOPIC: Approval of Fund Sources for UMCP Discovery Fund and UMB Baltimore Fund under USM Policy VIII-14.00 – Policy on Investments and Loans to Maryland-based Businesses that are Affiliated with USM Institutions

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: On February 14, 2014 the Board approved USM Policy VIII-14.00 – Policy on Investments and Loans to Maryland-based Businesses that are Affiliated with USM Institutions. The policy enables USM institutions to invest in, or provide loans to, businesses located in Maryland that “the Board finds that doing so would further one or more goals of the University and is related to the mission of the University.” The University of Maryland, College Park and the University of Maryland, Baltimore—separately and for their own institutions—seek Board approval to make equity investments to attract and retain companies in Prince George’s County, and Baltimore City, respectively, rather than simply make grants, to further the state public policy goals envisioned in the state’s 2016 Strategic Partnership Act.

Under USM Policy VIII-14.00, the Board of Regents must approve the fund source for investments, based on the recommendations of the institution’s president, the Chancellor, and the Finance and Economic Development and Technology Commercialization committees.

This past legislative session the Maryland State Legislature appropriated $2,500,000 to UMCP for the University of Maryland Center for Entrepreneurship and Economic Development (UMCEED), and $2,500,000 to UMB for Center for Maryland Advanced Ventures (CMAV). The Strategic Partnership Act includes for both UMCEED and CMAV the goal of encouraging the development and location of University created or sponsored technology companies in Prince George’s County and Baltimore City, respectively.

- UMCP would like to establish the Discovery Fund to fulfill this mission, which would use up to $1,000,000 of this annual appropriation to make investments and loans to attract and retain companies in Prince George’s County. While the state funding will not be released until FY 2023, UMCP would like to use money (up to $500,000) from the President’s Initiative Fund to fulfill this mission in FY 2022.

- UMB seeks approval to invest up to $1,000,000 from the current state appropriated funds to CMAV for FY 2022, and $1,500,000 annually, beginning with FY 2023, funded from state appropriated funds for CMAV, to make investments and loans to attract and retain companies in Baltimore City.

ALTERNATIVE(S): Should the committee decide not to approve the use of these funds for equity investments, UMCP and UMB would be limited to making grants to companies to attract or retain them in Prince George’s County and Baltimore City, respectively, to meet the intended impacts of the funding from the state legislature.
**FISCAL IMPACT:** The Discovery Fund would invest up to $500,000 in FY 2022 from the President’s Initiative Fund and up to $1,000,000 from state appropriated funds starting in FY 2023 and thereafter. The source of the funding from state appropriated funds would be MPowering the State UMCEED budget. Investments may be used to acquire equity in or make loans to companies locating in Prince George’s County. UMB seeks to invest up to $1,000,000 of funds currently appropriated to CMAV for FY 2022, and $1,500,000 annually of funds drawn from the state appropriated funds for CMAV starting in FY 2023. There is the potential for a return on these investments.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve for UMCP the use of up to $500,000 of the UMCP President’s Initiative Funds in FY 2022, and up to $1,000,000 annually from MPowering the State funding through the UMCEED program beginning in FY 2023; and, for UMB the use of state appropriations of no more than $1,000,000 for FY 2022, and increasing to $1,500,000 annually in FY 2023, for CMAV, for the purposes described above.

---

<table>
<thead>
<tr>
<th>COMMITTEE RECOMMENDATION:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOARD ACTION:</td>
<td>DATE:</td>
</tr>
<tr>
<td>SUBMITTED BY: Ellen Herbst (301) 445-1923</td>
<td></td>
</tr>
</tbody>
</table>
TOPIC: University of Maryland Global Campus: Lease Renewal for Dorsey Station Location

COMMITTEE: Finance

DATE OF MEETING: June 10, 2021

SUMMARY: University of Maryland Global Campus (UMGC) currently leases approximately 19,411 square feet of space in Dorsey Station, for the purpose of providing classroom and student services space in the Arundel Mills corridor. UMGC seeks Board approval to renew the lease for a term of 5 years, for a total of $3.8 million.

The building, located at 6865 Deerpath Road, in Elkridge, is adjacent to Route 100. UMGC has a top floor marquee sign on the building, which is visible from Route 100.

The University entered into the lease in 2006 with an initial 10-year term and renewed the lease for a five-year term in 2016. UMGC is now seeking approval of the second, 5-year renewal term to begin August 1, 2021 and end July 31, 2026 on the same terms as the original lease. This lease renewal does not require the approval of the Maryland Board of Public Works.

Following this renewal term, UMGC has no further renewal options and will have to negotiate a new lease to continue use this facility or identify an alternative location.

LESSOR: Stephen Whalen
Whalen Properties LLC
Catonsville, MD 21228

ALTERNATIVES: The only alternative to this renewal is for UMGC to vacate the space and not have classroom and student services space in the Arundel Mills corridor. This would cause a significant decrease in revenue, as graduate level MBA classes are held at the location on a regular basis.

FISCAL IMPACT: The terms of the lease with Whalen Properties will remain the same. The lease term will be renewed for 5 years and the yearly consideration will be $718,008 with a 3% annual increase. The total amount of the lease for the five-year term is $3.8 million.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland Global Campus to renew the lease at Dorsey Station for a term of 5 years consistent with the University System of Maryland Policy on Acquisition, Disposition and Leasing of Real Property.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923
TOPIC: University of Maryland Global Campus: Facilities and Equipment Maintenance Contract-Option Renewal

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: The University of Maryland Global Campus (UMGC) has an existing contract with AAA Complete Building Services and is seeking the Board’s approval to exercise a renewal option for a three-year term.

At its June 2015 meeting, the Board of Regents approved a three-year contract for facilities and equipment maintenance with AAA Complete Building Services, Inc., for an estimated total spend of $22.5 million. The Contract provides for three, 3-year renewal options. The Board required that the University return for approval prior to the execution of any renewal options. At its February 2018 meeting, the Board approved the first, three-year renewal option for an estimated total spend of $23.1 million. UMGC is now requesting approval to exercise the second, three-year renewal option in accordance with the Contract.

This contract renewal does not require the approval of the Maryland Board of Public Works.

CONTRACTOR: AAA Complete Building Services, Washington, D.C., David E. Barry, Jr., President

ALTERNATIVE(S): There are no viable alternatives to the University exercising this renewal option. The University is unable to perform these services and requires the use of an outside contractor.

FISCAL IMPACT: The source of funds for this contract is UMGC’s operating budget. The total spend for the contract is estimated to be approximately $25 million for the second renewal option inclusive of on-site staffing costs in the amount of $8.6 million and reimbursables (e.g., snow removal, routine elevator and HVAC equipment maintenance) associated with general repairs and maintenance, in the amount of approximately $16.4 million.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland Global Campus the second, three-year renewal option for Facilities and Equipment Maintenance with AAA Complete Business Services, Inc. The University will return to the Board of Regents for approval prior to the execution of its remaining renewal option.

COMMITEE RECOMMENDATION: Vendor is willing to offer a renewal option for an additional three-year term. The University does not foresee any changes to the terms of the Contract.

BOARD ACTION: The Board of Regents approved the second, three-year renewal option for Facilities and Equipment Maintenance with AAA Complete Business Services, Inc.

SUBMITTED BY: Ellen Herbst (301) 445-1923
TOPIC: Frostburg State University: Approval of creation of University-Affiliated Business Entity (Non-profit) and Approval of FSU President and Vice President’s Participation

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

SUMMARY: Frostburg State University (FSU) seeks approval for an established non-profit business entity that will operate explicitly for the benefit of FSU. This University-affiliated business entity, a Maryland tax-exempt corporation, The Research Foundation of Frostburg State University, Inc. (doing business as RF2) was incorporated on February 24, 2021.

The RF2 board of directors may have up to eleven members:

- 4 members are ex officio by virtue of their positions at FSU, including the President, Provost, Vice President for Administration and Finance, and Vice President for Regional Development and Engagement.
- 1 additional ex officio member is the President of the FSU Student Government Association.
- 2 members are recommended, respectively, by the Faculty Senate and the Staff Senate, nominated by the President and elected by the board of directors.
- 1 member nominated directly by the President, must be an alumnus or alumnae of the University and elected by the board of directors.

Frostburg State University is now seeking Board of Regents approval to begin operations of this non-profit entity for the benefit of the University and approval of the participation of the FSU Vice President for Regional Development and Engagement as the (uncompensated) executive director of RF2.

The primary purposes for establishment of this entity are to:

1. Manage, operate and develop property, including land and buildings, owned or leased by FSU for the purposes of increasing economic development activities and opportunities in the region served by the University. Initial efforts by RF2 will focus on a University-owned tract of land to be known as FSU Innovation Park, on which development of the Western Maryland Advanced Technology Center is underway.

2. Function as a recipient of funding from public and private sources for which FSU is not directly eligible. RF2 is not established to be a donor fundraising organization, so all such donor fundraising will continue to be conducted by FSU Advancement and the FSU Foundation.

3. Facilitate the ability to engage with other public sector organizations, and with private sector companies and organizations in public-private partnerships (P3) for the benefit of the University.
Absent further explicit approval of the Board of Regents, Frostburg State University and/or RF2 will not enter into arrangements through or using RF2 that will involve the use of University System of Maryland debt capacity of more than $1M through financings, leases involving the university, public-private partnerships that result in debt capacity implications for the University System, or other financial guarantees or commitments that would result in debt capacity impact for the USM.

Noting that RF2 bylaws create a Board of Directors whose composition includes certain executive officers of Frostburg State University, the President, Vice President for Administration and Finance and Vice President for Regional Development and Engagement and further noting that the bylaws designate the FSU Vice President for Regional Development and Engagement as the (uncompensated) executive director of RF2, under provisions of the State Ethics Law an official may serve on the RF2 board only if the governing board of the educational institution [here the Board of Regents] determines that, “participation by, and the financial interest or employment of, the official is necessary to the success of the research or development activity.” Specifically, to allow participation on the RF2 board by the Requisite Directors, the Board of Regents under Board of Regents Policy III-1.11, Policy on Conflicts of Interest in Research or Development, must determine (i) that service of the four Requisite Directors (and any of their successors who may serve ex officio) on the RF2 board is necessary to the success of the development activity of RF2, and (ii) that the conflict of interest can be managed consistent with the purposes of the State Ethics Law.

Facts supporting such a determination follow: Participation of the Requisite Directors is necessary to, and will enhance, the development activity of RF2 based on the expertise and institutional knowledge of the University that each bring to RF2. In essence, the RF2 Board members appointed by the University are acting as designees of the University President. The three Requisite Directors, by virtue of their senior positions and oversight functions, have direct and frequent communications and meetings. In addition, the Requisite Directors are responsible for core functions central to RF2’s mission and also to the University’s mission. The Vice President for Administration and Finance is responsible for University business and planning operations, including its real estate and capital projects. In that capacity, this University official is in the best position to be aware of campus and local real estate needs and trends and to ensure that RF2’s plans and goals complement those of the University. The Vice President for Regional Development and Engagement is responsible for community relations, engagement and economic development activities, including University partnerships and collaborations with external public and private entities. Additionally, the Vice President for Regional Development and Engagement oversees all research and sponsored program activities of the University. In that capacity, this official is in the best position to ensure that RF2’s activity is consistent with and able to articulate the University’s economic and community development goals being advanced by RF2 to the campus and wider communities. The Provost is the chief academic officer of the University and is best able to understand and help coordinate and facilitate that the work of RF2 complements and strengthens the academic and experiential learning opportunities of FSU students and community and economic development engagement of faculty. Finally, the President of the University is singularly positioned to see and understand the entire scope of the University’s mission, goals, plans and priorities, ensuring maximum synergy of goals and activities among and between RF2, the University community and the wider region.

With respect to the ability to manage conflicts of interest, the Requisite Directors will, at all times, be obliged to conform to RF2’s and the University’s conflict of interest policies, as well as the State Ethics Law. In addition, because of the dual role by the FSU Vice President for Regional Development and Engagement as both an RF2 board member and as the unpaid executive director of the entity, a separate and specific Conflict of Interest Agreement has been executed between FSU and the Vice President of Regional Development and Engagement.

Initially, RF2 operations and activities will be funded with revenues derived from grants, management fees and rent payments for space leased to tenants. A short summary business plan for RF2 is attached.
Therefore, the University respectfully requests that the Board of Regents make the determinations that (i) service on the RF2 board by the Requisite Director vice presidents, Provost and the President (and any of their successors who may serve ex officio) is necessary to the success of the development activity of RF2, and (ii) the conflict of interest can be managed consistent with the purposes of the State Ethics Law.

ALTERNATIVE(S):
1. RF2 will be granted approval to operate for the benefit of Frostburg State University, but neither its board nor the University’s President would have the benefit of the input and stewardship of the Requisite Directors.
2. RF2 will not be approved to operate as an affiliated entity of Frostburg State University, resulting in alternate plans needing to be developed for continue to deliver on FSU’s mission to foster regional economic development and engagement.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the affiliation between Frostburg State University and RF2 as a Business Entity under USM Policy VIII-13.00 – Policy on Business Entities, subject to the requirement that financing commitments that impact the System’s debt capacity (as described above) by more than $1M will require formal, explicit Board of Regents approval; and, make the determinations that (i) service on the RF2 board by the Requisite Director Vice Presidents and the President (and any of their successors who may serve ex officio) is necessary to the success of the activities of RF2; and, (ii) the conflict of interest can be managed effectively in accordance with the requirements of state Public Ethics law provisions and USM Policy III-1.11 – Policy on Conflicts of Interest in Research or Development.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923
Business Plan Executive Summary: 
Research Foundation of Frostburg State, Inc. (RF2)

The following is a brief executive summary of the business plan for a newly created Maryland tax-exempt corporation. The corporation is an affiliated business entity established for the benefit of Frostburg State University.

Background
A part of the mission of Frostburg State University is to deploy the intellectual capital and other considerable resources of the University to engage more broadly with the region it serves, with a particular emphasis on helping to foster economic development and growth.

One of the University’s underutilized resources is an approximate 60-acre tract of land owned by FSU within a designated federal Opportunity Zone. The tract is immediately off of exit 33 of Interstate-68 and within one mile of the main campus. Two buildings are currently located on this parcel. The first is a privately-owned 60,000 square foot, class A office building. The second is a University-owned building of approximately 6,000 square feet that has remained mostly vacant since its construction with federal funds more than a decade ago. This tract of land, which the University will rename FSU Innovation Park, is the location for the Western Maryland Advanced Technology Center. The Western Maryland Advanced Technology Center is the result of recommendations and strategies developed by a Work Group appointed by Governor Hogan tasked with identifying ways to bring advanced technology jobs to the region.

Mission
RF2’s mission is to create long-term value and economic opportunity, for both FSU and the surrounding region, by helping to develop FSU Innovation Park, initially by establishing the Western Maryland Advanced Technology Center. The Western Maryland Advanced Technology Center will be developed in phases, with funding for phase one having already been secured. While ownership of the land, and ownership and any leases of buildings located at FSU Innovation Park will remain with the University, RF2 will manage all properties and have operational responsibility for development of FSU Innovation Park and the phased expansion of the Western Maryland Advanced Technology Center.

Rationale
The mission outlined above cannot be achieved without a dedicated, sustained focus, nimbleness of decision-making and action, and ability to collaborate and partner with a wide array of organizations, including private business, government entities, and non-profit organizations. Additionally, access to some sources of funding – both public and private – which are not available to the University, are available to RF2 and can further the ability to achieve the mission.

Structure
RF2 has been incorporated as a Maryland tax-exempt company, created for the benefit of Frostburg State University. A board of directors, not to exceed 11 members will oversee governance of the non-profit company. Initially, the corporate bylaws call for the selection of
eight (8) directors. Five (5) directors will be ex-officio by virtue of their position at FSU. The FSU President, Provost, Vice President of Administration and Finance and the Vice President of Regional Development and Engagement will be ex-officio members of the corporate board. In addition, the President of the FSU Student Government Association will serve ex-officio. Two additional directors, recommended respectively by the FSU Faculty Senate and the FSU Staff Senate, will be nominated by the FSU President and elected by the full board. The eighth (8th) board member, an alumnus/alumna of the University, will be nominated directly by the FSU President and elected by the full board. Any additional members not identified above, (up to three), for a total of eleven (11) board members, may be nominated by the President directly and elected by the full board. It is anticipated such future members may represent specific industry sectors or economic development interests important to the region or the University.

Staffing for RF2 will initially, and for some time, consist of an uncompensated executive director, who shall be the FSU Vice President for Regional Development and Engagement. Additional staff may be added on temporary, short-term contracts on an “as needed” basis. Independent corporate counsel and independent accounting services will be contracted to provide the requisite services, including application for 501(c)3 tax-exempt status with the Internal Revenue Service.

If at any time in the evolution of RF2 a paid executive director is required, that compensated individual shall not hold both the FSU Vice President for Regional Development and Engagement position and be compensated as executive director (or any other position) with RF2.

Activities
RF2’s primary responsibilities are development strategy for FSU Innovation Park, management, operations and marketing of buildings and property at FSU Innovation Park, and planning and implementing future development, including potential new buildings and facilities for FSU Innovation Park, with particular emphasis on the Western Maryland Advanced Technology Center.

Operations
RF2 will be led by an Executive Director, responsible for reporting to the Board of Directors. Initially, the executive director will be the FSU Vice President for Regional Development and Engagement. This will be an uncompensated role. The entity will add staff or contractors, on a temporary, contract basis as needed, to manage property, perform accounting and legal duties, undertake specific programmatic activities and provide administrative support. Any required building maintenance, upgrades, or other work to be conducted in accordance with or to fulfill obligations to tenants or funding agencies will be performed by external contractors or under agreement with and payment to University Facilities Services.

Capitalization and Asset Base
RF2 is initially capitalized with grant funding already awarded or committed by federal, state and local government sources currently totaling $380,000. Application has been made to the Appalachian Regional Commission for Phase II development funding for the Western Maryland Advanced Technology Center in the amount of $1.48 million, all of which will fund further program and property development. This includes the purchase of specialized manufacturing
equipment for the FSU Department of Physics and Engineering Center for Advanced Product Design and Manufacturing, to be located at the FSU Innovation Park.

**Revenue**

Only revenues that have immediate and certain positive cash flow are being considered and included in the initial planning of this entity. Apart from federal, state and local grant funding already outlined, revenues from lease payments will include approximately $75,000 in year one, increasing to approximately $128,000 in year two, with a projected 2% to 3% escalation for lease payments annually thereafter. These figures do not include any revenue from grants targeted to specific uses or developments. Neither do these revenues include projections for added revenue resulting from any possible expansion of tenant space (either building or ground space) that may become available.

**Expenses**

At present, RF2 estimated fixed expenses total less than $32,000 annually. This amount may increase slightly, based on future lease agreements and negotiated terms with the owners of the private office building being leased. However, the terms of the lease agreement guarantee that any increase in payments to the owners of the office building will only occur if the corresponding revenue to RF2 by sub-lessees increases by equal or greater measure. In addition to these fixed expenses, minimal additional expenses for legal and accounting services will be incurred.

**Cash Flow and Distributions**

RF2 is already assured to start operations with positive cash flow on day one. Projected cash flow at the end of year one operation will be approximately $30,000. At the completion of year two, with current committed revenues and projected expenses, RF2 cash flow is expected to be approximately $80,000 – increasing from there in out years.

It is not anticipated that RF2 will make any direct cash contributions to FSU in the first 3 to 5 years of operations. However, any such allocations that may be considered in the future will be determined by the RF2 Board of Directors.
**TOPIC:** Proposed Amendments to USM Policy V-2.10 – Policy on Intercollegiate Athletics

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 10, 2021

**SUMMARY:** In November 2020, the Board of Regents approved the creation of a new standing committee, the Committee on Intercollegiate Athletics and Student-Athlete Health and Welfare. In preparation for the new standing committee’s work, several changes to the current policy are recommended in order to provide the new committee with the appropriate flexibility as the oversight responsibilities transition from the ICA Workgroup.

The first meeting of the Committee on Intercollegiate Athletics and Student-Athlete Health and Welfare will likely occur in January 2022. It is important to consider and approve the proposed amendments at this time so that the USM Office and institution athletics department staff have sufficient time to prepare and make necessary adjustments to the content, form, and presentation of materials that will be required going forward.

The primary change to the policy is to delete Appendix A—which lists materials that the institutions must submit annually—and to substitute a provision that requires institutions to submit materials in accordance with Chancellor-approved information requirements that can be changed and updated as necessary, without further Board approval. This action will provide flexibility at the direction of the Chancellor to adjust information requirements as circumstances change.

The recommended amendments also incorporate an expectation of compliance with recently enacted legislation, the Jordan McNair Safe and Fair Play Act. This law calls for implementing greater health and safety measures, with certain standards to be met by institutions operating intercollegiate athletics programs.

A red-lined version is attached that shows the proposed changes from the current policy. A “clean” version of the proposed policy incorporating the amendments is also attached.

**ALTERNATIVE(S):** The regents could offer alternative language or request that the policy not be amended at this time.

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

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the proposed revisions to USM Policy V-2.10 Policy on Intercollegiate Athletics, as submitted.
V-2.10 – UNIVERSITY SYSTEM OF MARYLAND POLICY ON INTERCOLLEGIATE ATHLETICS
(Approved by the Board of Regents, April 25, 1991; amended June 19, 1991; amended December 7, 2001; amended )

General
A well-managed and successful intercollegiate athletic program enhances the educational goals of a college or university regardless of the particular mix of teaching, research and service activities inherent in its approved mission. Athletic competition under the fundamental principles of fair play and amateurism can be of value to individual students, to members of the immediate collegiate community, and to the larger institutional constituency.

The institutions of the University System of Maryland subscribe to a philosophy of athletics that reflects a clear understanding of the role the athletics program is expected to play in furthering the broader institutional mission. Fundamental to the effective management of the intercollegiate athletic program is the commitment of the president of the institution to maintain regular oversight of the enterprise. All institutions within the System, whether they have intercollegiate athletic programs or not, are affected by public perceptions of the athletic programs or teams at particular System campuses and the attendant publicity the programs receive.

Each institution that has an intercollegiate athletics program must have in place procedures, internal and external, which provide careful and thorough scrutiny of the sports program and deliver required information to the president and, as appropriate, to the Chancellor and the Board of Regents.

Student-athletes are first and foremost students, and it is the expectation of the Board of Regents that their academic performance and progress will be comparable to that of non-athletes. Contracts for coaches and other athletic department staff will include objectives and minimum expectations for academic as well as athletic success.

Management of the athletics program, both along financial expectations as well as with respect to academic goals and expectations, are among those elements to be considered in the annual evaluations of presidential performance.

Reporting and accountability requirements
Institutions that participate in intercollegiate Division I (UMCP, Towson University, Coppin State University, UMES and UMBC) athletics are to comply with all reporting requirements developed by the Chancellor as a set of annual information requirements detailed in Appendix A, which will be distributed to institutions with intercollegiate athletics programs and updated as changes occur, as well as satisfying the reporting and communication expectations detailed in the Ongoing Reporting Obligations section below. All other institutions that have intercollegiate athletics programs are expected to satisfy all ongoing reporting obligations and provide the annual presidents’ and athletic directors’ affirmations detailed in Chancellor’s set of annual information requirements Appendix A, Paragraph H; the Board of Regents may request that those
Institutions provide additional information on particular aspects of their intercollegiate athletics programs as follow-up.

In order to ensure that the Board of Regents is informed and knowledgeable about intercollegiate athletics and the role it plays at each of the institutions, each president whose institution fields competitive intercollegiate sports teams shall furnish to the Board of Regents, on an annual basis, reports that address academic issues, fiscal issues, and compliance issues within intercollegiate athletics, which include the information called for in the Chancellor’s set of annual information requirements, Appendix A of this policy.

**Academic Issues**

The annual report on academic issues related to intercollegiate athletics will be presented to the appropriate Board of Regents committee in March and June of each year, as data are available, and will provide data on the preceding fiscal year and on the fall semester of the current year as outlined in the Chancellor’s set of annual information requirements, Appendix A. In addition to institutional data, the report should include the prior year’s NCAA Academic Program Rates (APR) and, if institutions had unsatisfactory scores, a report on corrective actions the institution has taken to prevent future problems.

Institutions should adopt minimum standards for academic progress and consequences for failure to meet those standards on a continuing basis that include suspension from participation in athletic activities.

**Fiscal Issues**

While each president is responsible for the operations of the intercollegiate athletic program on his/her campus, it is mandatory that there be transparency in fiscal reporting. The annual report on fiscal issues related to intercollegiate athletics will be presented to the appropriate Board of Regents committee in November-March of each year and will include the current year’s budget as well as actual revenues and expenses from the prior fiscal year. The Board of Regents is to be kept informed of any long-term financial commitments that may affect the budget in future years. In addition to required annual reporting, institutions shall report to the Chancellor’s Office and the Director of Internal Audit all developing or anticipated fiscal shortfalls that may result in financial deficits both short and long term as they become known.

To the extent allowable under NCAA regulations, institutions may agree to waive the difference between non-resident and resident tuition rates for student-athletes without charge or impact on the intercollegiate athletics program operating budget or the assessment of whether the program is operated on a self-supporting basis. Note that the NCAA recognizes such waivers as a charge to the ICA program, so that the revenue and expenditure reports for the NCAA will not be directly comparable to those required by this Board of Regents policy.

Intercollegiate athletics programs are to be managed on a self-supporting basis, meaning that all spending and expenses are to be paid for by revenues and resources generated by the intercollegiate athletic program within the institution. Any institution that seeks to use other
self-support activity revenues or resources to support Intercollegiate Athletics must seek approval by the Board of Regents in advance of the beginning of the fiscal year. Intercollegiate athletics programs that end a fiscal year with an operating deficit after taking into account approved use of other self-support activity revenues or resources, or have an accumulated deficit, are to record and reflect these amounts as liabilities back to the self-support activity that funded the deficit, and are to develop and adopt an operating plan to eliminate the accumulated deficit and return the program to a self-supporting operating basis.

Institutions seeking to ‘forgive’ deficits of intercollegiate athletics programs must be approved by the Board of Regents.

**Compliance Issues**

Institutions must comply with state law (the Jordan McNair Safe and Fair Play Act as an example), NCAA and conference rules, Title IX requirements, and other formal and legal expectations relevant to each institutions’ athletics program.

It is expected that institutions will immediately notify the Chancellor and the Director of Internal Audit of all NCAA major infractions, NCAA investigations, and conference (ACC, MEAC, etc.) investigations. In addition, it is understood that institutions are to submit to the NCAA in a timely manner all NCAA Reports and Agreed-Upon Procedure Reports as may be required as well as periodic conference review reports.

In particular the President should inform the Chancellor, who will inform the Board of Regents in a timely manner, regarding any events or situations which might spark unusual public interest in the athletic program, particular team(s), or individual student athlete(s) at that institution and should provide sufficient detail concerning these events or situations to permit the Chancellor and the Board of Regents to respond appropriately to inquiries.

**Distribution and use of sensitive information**

In order to ensure that the Board of Regents is fully informed but that the privacy of individuals is protected, reporting on the academic performance of student athletes and the terms, commitments and incentives reported for coaches’ and athletic directors’ contracts will be done in closed session as permitted in special circumstances outlined in Subtitle 5, section §10-508(a) of the Open Meetings Act.

**Ongoing Reporting Obligations**

1. Institutions are to immediately notify the Chancellor’s Office and the Director of Internal Audit of all NCAA major infractions, NCAA investigations and conference investigations.

2. Institutions are to submit all required annual NCAA Reports, annual Agreed-Upon Procedure Reports and periodic conference (eg. ACC) review reports to the appropriate governing bodies.
3. Compliance with Board of Regents Policy VII-10.0 Policy on Board of Regents Review of Contracts for Highly-Compensated Personnel requires institutions to provide proposed employment contracts to the Office of the Attorney General prior to execution. The contracts for highly-compensated personnel in intercollegiate athletics programs are to be provided to the Chancellor concurrently with the Office of the Attorney General. The policy provides that ‘Before a contract is executed, it must be submitted to the Office of the Attorney General for review and approval for legal form and sufficiency. The Office of the Attorney General may communicate any significant legal concerns with the draft contract to the institution's president and the Chancellor. It should be understood that proposed contracts provided to the Office of the Attorney General and Chancellor are to include all relevant provisions and terms of the proposed contract including detailed notes concerning provisions remaining to be negotiated. The Chancellor will notify the Board of Regents of any contract provisions of an unusual or sensitive nature or those that conflict with expectations and values of the Board of Regents.

4. Institutions will report to the Chancellor’s Office and the Director of Internal Audit all fiscal shortfalls that may result in financial deficits both short and long term as they become known.
APPENDIX A

OUTLINE FOR ANNUAL REPORTING TO THE BOARD OF REGENTS ON INTERCOLLEGIATE ATHLETICS

By May 1
A. Statement from the Institutional President. Please prepare a statement that responds to the following questions:
   1. NCAA Classification.
   2. What is the role of intercollegiate athletics at your institution?
   3. How do you assess the success of your ICA program in fulfilling its role?
   4. To whom does the director of intercollegiate athletics report?
   5. What are your current expectations for the director of intercollegiate athletics and the coaching staff? How well are those expectations being fulfilled?
   6. Who has voting authority at NCAA meetings? If the president is not present and does not vote in person, what safeguards exist to assure that the president’s views are accurately represented?
   7. Please describe any special concerns, issues or problems related to your institution’s intercollegiate athletics program over the reporting period and include all issues reported to the audit committee. Please include special actions taken. Additions or deletions of particular sports, changes in conference or division, NCAA investigations, and NCAA infractions must be included in this section.

Also, please feel free to provide editorial comments on the data submitted in this report as you deem appropriate.

ACADEMIC PERFORMANCE INDICATORS
By May 1
B. Admissions (Fall Cohort) (Please complete Table B.)
Please provide the following information:
   1. Admission guidelines for student athletes, both regular admits and “special admits.”
   2. Number of special admit athletes by sport and by gender.
   3. High school GPA and SAT scores of admitted student athletes by sport and by gender, broken down by regular and special admits.
   4. High school GPA and SAT scores of first-time full-time freshmen by gender, broken down by regular and special admits.

By May 1
C. Graduation Rates (Fall Cohorts) (Please complete Tables C1, C2, and C3.)
Please provide the following information for both regular and special admits.
   Regular Admits
   1. Number of regular-admit student athletes in each cohort, broken down by sport and gender.
   2. Number who graduated after four, five and six years, broken down by sport and gender.
   3. Number who left in good academic standing prior to graduation, broken down by sport and gender.
4. Four-, five- and six-year graduation rates for this entire cohort of first-time, full-time, regular admit freshmen, for comparison purposes.

**Special Admits**

5. Number of special-admit student athletes in each cohort, broken down by sport and gender.
6. Number who graduated after four, five and six years, broken down by sport and gender.
7. Number who left in good academic standing prior to graduation, broken down by sport and gender.
8. Four-, five- and six-year graduation rates for this entire cohort of first-time, full-time, special admit freshmen, for comparison purposes.

In addition to institutional reports outlined above that relate to all student-athletes (both scholarship and non-scholarship), please provide the most recent published NCAA GSR.

**By March 1**

D. Academic Progress Benchmarks for Current Academic Year (All athletes on rosters on or before March 1)

1. Average cumulative GPA by sport compared to average cumulative GPA for the student body as a whole.
2. Number of athletes by sport with GPAs under 2.0.
3. The average fall credit hours completed (end of term) and the average fall credit hours attempted (beginning of term) by sport compared to student body averages.
4. Current number of athletes by sport with fewer than six and with fewer than 12 credit hours completed in the most recent fall term.
5. Most recent published NCAA APR scores.

**By June 1**

E. Projected NCAA APR scores and potential impact for current year by sport. The projected APR score should be calculated with the known fall and spring eligibility of each rosters scholarship student-athletes for the current fiscal year.

**FISCAL MATTERS**

**By November 1**

F. Please provide the following information relating to intercollegiate athletics for the institution, and, where applicable, activity and balances for amounts held, collected, expended or owed by affiliated foundations.

1. What was the athletic fee at your institution for most recent two fiscal years?
2. What is the institution’s policy and practice concerning the athletic fee? How is the fee set? To whom does it apply? Who is consulted in the setting of the fee? What benefits does the student get in return for paying the athletic fee?
3. What percentage of the mandatory fee total does the athletic fee represent for a full-time undergraduate student?
4. What percentage of the intercollegiate athletics budget is funded by the student athletic fee?
5. Statement of Activity for the most recent fiscal year for the ICA program operations within the institution, activity associated with ICA accounts and resources held by affiliated foundations (detailed by foundation), and a total.

6. Balance sheet information as of the end of the most recent fiscal year for the ICA program, both for amounts reflected or obligated within the institution, as well as those reflected within affiliated foundations (detailed), and a total, consisting of:
   - Cash, investments, accounts receivable and other assets (not including fixed assets) of the ICA program,
   - External obligations and debt balances,
   - Amounts owed to the institution including terms, and
   - Other liabilities and commitments of the ICA program to others

   • Commitments for athletic directors and coaches contracts, detailed by sport, with the remaining term of guaranteed contract, buyout and ‘no-cut’ provisions, and nature and amount of incentive compensation arrangements – these items are to be detailed on a separate and distinct report from the other fiscal information in such a fashion as to clearly present the detail, and aggregation, of commitments and claims for athletic director and coaches contracts.

7. Operating budget projections for the coming five fiscal years detailing expected revenues and funding sources and spending.

8. For the current fiscal year, a comparison of actual, year-to-date amounts realized or spent, as compared with the ICA program operating budget.

9. Capital ‘Master Plan’ for facilities and financed activities.

G. Submit to USM Office concurrent with transmittal to Department of Education the EADA report.
   Please provide copies of tables submitted to comply with the reporting requirements of the Equity in Athletics Disclosure Act (EADA) provisions under the Higher Education Act.

By November 1
H. Annual affirmations required of presidents and athletic directors of all institutions with intercollegiate athletics programs, regardless of NCAA division. While Division II and Division III institutions are not required to submit detailed data in conjunction with the athletic report to the Board of Regents, the affirmations should be based upon data and other information comparable to that required of Division I institutions in this report outline. Any exceptions to the affirmations should be detailed and noted.
1. All instances of non-compliance with federal and NCAA laws, regulations or rules have been communicated to the Chancellor’s Office and Director of Internal Audit as required in the Ongoing Reporting Obligations section of this policy.

2. The academic performance of the student-athletes participating in each individual sport is equal to or exceeds that of the student body for the institution at large.

3. All instances of athletic director, coaches or intercollegiate athletics impropriety have been communicated to the Director of Internal Audit.

4. There are no financial, contractual, or other commitments of intercollegiate athletics that could impact future fiscal results which have not been reflected in the operating budget projections.

5.1. The institution has a code of conduct for faculty, staff and students that applies to and has been communicated to employees and student-athletes in the intercollegiate athletics program; and the institution has reviewed its code of conduct and determined that it continues to be in place and use.
V-2.10 – UNIVERSITY SYSTEM OF MARYLAND POLICY ON INTERCOLLEGIATE ATHLETICS
(Approved by the Board of Regents, April 25, 1991; amended June 19, 1991; amended December 7, 2001; amended )

General
A well-managed and successful intercollegiate athletic program enhances the educational goals of a college or university regardless of the particular mix of teaching, research and service activities inherent in its approved mission. Athletic competition under the fundamental principles of fair play and amateurism can be of value to individual students, to members of the immediate collegiate community, and to the larger institutional constituency.

The institutions of the University System of Maryland subscribe to a philosophy of athletics that reflects a clear understanding of the role the athletics program is expected to play in furthering the broader institutional mission. Fundamental to the effective management of the intercollegiate athletic program is the commitment of the president of the institution to maintain regular oversight of the enterprise. All institutions within the System, whether they have intercollegiate athletic programs or not, are affected by public perceptions of the athletic programs or teams at particular System campuses and the attendant publicity the programs receive.

Each institution that has an intercollegiate athletics program must have in place procedures, internal and external, which provide careful and thorough scrutiny of the sports program and deliver required information to the president and, as appropriate, to the Chancellor and the Board of Regents.

Student-athletes are first and foremost students, and it is the expectation of the Board of Regents that their academic performance and progress will be comparable to that of non-athletes. Contracts for coaches and other athletic department staff will include objectives and minimum expectations for academic as well as athletic success.

Management of the athletics program, both along financial expectations as well as with respect to academic goals and expectations, are among those elements to be considered in the annual evaluations of presidential performance.

Reporting and accountability requirements
Institutions that participate in intercollegiate athletics are to comply with all reporting requirements developed by the Chancellor as a set of annual information requirements, which will be distributed to institutions with intercollegiate athletics programs and updated as changes occur, as well as satisfying the reporting and communication expectations detailed in the Ongoing Reporting Obligations section below. All other institutions that have intercollegiate athletics programs are expected to satisfy all ongoing reporting obligations and provide the annual presidents’ and athletic directors’ affirmations detailed in Chancellor’s set of annual information requirements; the Board of Regents may request that those institutions provide

...
additional information on particular aspects of their intercollegiate athletics programs as follow-up.

In order to ensure that the Board of Regents is informed and knowledgeable about intercollegiate athletics and the role it plays at each of the institutions, each president whose institution fields competitive intercollegiate sports teams shall furnish to the Board of Regents, on an annual basis, reports that address academic issues, fiscal issues, and compliance issues within intercollegiate athletics, which include the information called for in the Chancellor’s set of annual information requirements.

**Academic Issues**

The annual report on academic issues related to intercollegiate athletics will be presented to the appropriate Board of Regents committee in March and June of each year, as data are available, and will provide data on the preceding fiscal year and on the fall semester of the current year as outlined in the Chancellor’s set of annual information requirements. In addition to institutional data, the report should include the prior year’s NCAA Academic Program Rates (APR) and, if institutions had unsatisfactory scores, a report on corrective actions the institution has taken to prevent future problems.

Institutions should adopt minimum standards for academic progress and consequences for failure to meet those standards on a continuing basis that include suspension from participation in athletic activities.

**Fiscal Issues**

While each president is responsible for the operations of the intercollegiate athletic program on his/her campus, it is mandatory that there be transparency in fiscal reporting. The annual report on fiscal issues related to intercollegiate athletics will be presented to the appropriate Board of Regents committee in March of each year and will include the current year’s budget as well as actual revenues and expenses from the prior fiscal year. The Board of Regents is to be kept informed of any long-term financial commitments that may affect the budget in future years. In addition to required annual reporting, institutions shall report to the Chancellor’s Office and the Director of Internal Audit all developing or anticipated fiscal shortfalls that may result in financial deficits both short and long term as they become known.

To the extent allowable under NCAA regulations, institutions may agree to waive the difference between non-resident and resident tuition rates for student-athletes without charge or impact on the intercollegiate athletics program operating budget or the assessment of whether the program is operated on a self-supporting basis. Note that the NCAA recognizes such waivers as a charge to the ICA program, so that the revenue and expenditure reports for the NCAA will not be directly comparable to those required by this Board of Regents policy.

Intercollegiate athletics programs are to be managed on a self-supporting basis, meaning that all spending and expenses are to be paid for by revenues and resources generated by the intercollegiate athletic program within the institution. Any institution that seeks to use other
self-support activity revenues or resources to support Intercollegiate Athletics must seek approval by the Board of Regents in advance of the beginning of the fiscal year. Intercollegiate athletics programs that end a fiscal year with an operating deficit after taking into account approved use of other self-support activity revenues or resources, or have an accumulated deficit, are to record and reflect these amounts as liabilities back to the self-support activity that funded the deficit, and are to develop and adopt an operating plan to eliminate the accumulated deficit and return the program to a self-supporting operating basis.

Institutions seeking to ‘forgive’ deficits of intercollegiate athletics programs must be approved by the Board of Regents.

**Compliance Issues**

Institutions must comply with state law (the Jordan McNair Safe and Fair Play Act as an example), NCAA and conference rules, Title IX requirements, and other formal and legal expectations relevant to each institutions’ athletics program.

It is expected that institutions will immediately notify the Chancellor and the Director of Internal Audit of all NCAA major infractions, NCAA investigations, and conference (ACC, MEAC, etc.) investigations. In addition, it is understood that institutions are to submit to the NCAA in a timely manner all NCAA Reports and Agreed-Upon Procedure Reports as may be required as well as periodic conference review reports.

In particular the President should inform the Chancellor, who will inform the Board of Regents in a timely manner, regarding any events or situations which might spark unusual public interest in the athletic program, particular team(s), or individual student athlete(s) at that institution and should provide sufficient detail concerning these events or situations to permit the Chancellor and the Board of Regents to respond appropriately to inquiries.

**Distribution and use of sensitive information**

In order to ensure that the Board of Regents is fully informed but that the privacy of individuals is protected, reporting on the academic performance of student athletes and the terms, commitments and incentives reported for coaches’ and athletic directors’ contracts will be done in closed session as permitted in special circumstances outlined in Subtitle 5, section §10-508(a) of the Open Meetings Act.

**Ongoing Reporting Obligations**

1. Institutions are to immediately notify the Chancellor’s Office and the Director of Internal Audit of all NCAA major infractions, NCAA investigations and conference investigations.

2. Institutions are to submit all required annual NCAA Reports, annual Agreed-Upon Procedure Reports and periodic conference (eg. ACC) review reports to the appropriate governing bodies.
3. Compliance with Board of Regents Policy VII-10.0 Policy on Board of Regents Review of Contracts for Highly-Compensated Personnel requires institutions to provide proposed employment contracts to the Office of the Attorney General prior to execution. The contracts for highly-compensated personnel in intercollegiate athletics programs are to be provided to the Chancellor concurrently with the Office of the Attorney General. The policy provides that ‘Before a contract is executed, it must be submitted to the Office of the Attorney General for review and approval for legal form and sufficiency. The Office of the Attorney General may communicate any significant legal concerns with the draft contract to the institution's president and the Chancellor. It should be understood that proposed contracts provided to the Office of the Attorney General and Chancellor are to include all relevant provisions and terms of the proposed contract including detailed notes concerning provisions remaining to be negotiated. The Chancellor will notify the Board of Regents of any contract provisions of an unusual or sensitive nature or those that conflict with expectations and values of the Board of Regents.

4. Institutions will report to the Chancellor’s Office and the Director of Internal Audit all fiscal shortfalls that may result in financial deficits both short and long term as they become known.
TOPIC: Convening Closed Session

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 10, 2021

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 Finance Committee 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 Board of Regents Committee on Finance vote to reconvene in closed session.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923
CONVENCING CLOSED SESSION 

STATEMENT REGARDING CLOSING A MEETING 
OF THE COMMITTEE ON FINANCE 
OF THE USM BOARD OF REGENTS 

Date: June 10, 2021 
Time: 10:30 a.m. 
Location: Video Conference 

STATUTORY AUTHORITY TO CLOSE A SESSION 

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

(1) To discuss: 
   [ ] (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 
   [ ] (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) [x] 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) [ ] 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) [x] To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.

(14) [x] 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.

(15) [ ] To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:

(i) security assessments or deployments relating to information resources technology;
(ii) network security information, including information that is:
   1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
   2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
   3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
(iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

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

[ ] Administrative Matters

TOPICS TO BE DISCUSSED:
Real property acquisition in the City of College Park. The awarding of new contracts for Human Capital Management and Enterprise Resource Planning systems and their implementation; and firewall hardware and software license and service agreements. The proposed FY 2023 Capital Budget submission and potential adjustments to the submission.

REASON FOR CLOSING:
To maintain confidentiality of discussions of a potential property acquisition prior to BOR approval (§3-305(b)(3)); to maintain confidentiality of discussions of bid proposals prior to BOR approval and the awarding of a new contracts (§3-305(b)(14)); and, to maintain the confidentiality (pursuant to executive privilege) of proposed capital budget prior to Governor’s submission to legislature (§3-305(b)(13)).

CONVENCING CLOSED SESSION