



**UNIVERSITY SYSTEM  
of MARYLAND**

Board of Regents  
Committee on Finance

June 9, 2022

Zoom Details to be Provided to Committee  
Public Listen-Only Access: 301-715-8592; Conference ID – 942 5911 1878; Password: 154702

**AGENDA FOR PUBLIC SESSION**

Call to Order

Chairman Attman

1. University System of Maryland: FY 2023 Operating Budget (action)
2. FY 2023 System Funded Construction Program Request (action)
3. University System of Maryland: 44th Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds (action)
4. University System of Maryland: Official Intent Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects (action)
5. Proposed Amendment to USM Policy VIII-2.70—Policy on Student Classification for Admission and Tuition Purposes (action)
6. Proposed Amendment to USM Policy VIII-2.50—Policy on Student Tuition, Fees, and Charges (action)
7. Adjustment to the Biennial Exempt Salary Structures for Fiscal Years 2023 and 2024 (action)
8. Nonexempt Salary Structure Adjustments and Compression Wage Increases (action)
9. University of Maryland, Baltimore County: Lease of Real Property to Maryland Department of Health (action)
10. University of Maryland, College Park: Contract Extension for Just-in-Time Non-Food Paper Products for Dining Services (action)
11. University of Maryland, College Park: Contract Extension for Just-in-Time Food Products, Chemical Products, and Non-Food Products for Dining Services (action)
12. University of Maryland, College Park: Contract Extension for Cloud based Infrastructure, Storage, Server Access, Application Access, and Website Hosting (action)
13. University of Maryland, College Park: Subdivision by Deed (information)
14. USM Early Capital Pilot: Fund Balance Allocation and Investment (action)
15. Amendment to FY 2022 and Proposed FY 2023 Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation (action)
16. Convening Closed Session (action)



**TOPIC:** University System of Maryland: FY 2023 Operating Budget

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** As required by USM Policy VIII-9.00 – Policy on the Operating Budget, the FY 2023 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 \$6.8 billion. The FY 2023 Operating Budget provides new state funding as follows:

- Cost of Living (3%), Merit Increments (2.5%) and Fringe Benefit Increases (\$223.6M)
- Full Reinstatement of FY 2021 Board of Public Works cut (\$93.8M)
- HBCU Lawsuit Settlement (\$22.3M)
- Additional Need Based Financial Aid (\$20.0M)

Additionally, several campus initiatives received state funding including:

- UMB Miller Center (\$2.5M)
- UMB Medicine-Childhood Cancer Research (\$1.0M)
- UMB Center for Adults Neuro-Develop Disorders & Tuberous Sclerosis Complex Center (\$350K)
- UMCP Hughes Center Agro-Ecology (\$500K)
- UMCP Judge Alex Williams Center (\$500K)
- BSU MD Truth & Reconciliation Commission (\$50K)
- UBalt Schaefer Center (\$975K)
- UMBC MD Cyber Range Workforce Education (\$1.2M)
- UMBC MD Institute for Innovative Computing (\$500K)
- USMO ARTSYS (\$1.0M)
- USG Strategic Plan Implementation (\$5.0M)

Funding for the FY 2022 annualization and FY 2023 salary adjustments (COLA & Merit) that were included for USM funding in the DBM personnel are expected to total \$198.2 million. In total, the estimated FY 2023 state funding for USM will total \$1.9 billion. This total represents an increase of \$400.3 million (26.8%) from the FY 2022 budget base state funds.

The state-supported portion of the budget totals approximately \$4.0 billion. Included in this figure are state appropriations and Higher Education Investment Funds (HEIF) of \$1.8 billion (an increase of \$304.6 million or 19.4% over the adjusted base FY 2022 state appropriation), along with tuition and fees of \$1.6 billion (an increase of \$44 million or 3%).

The non-state-supported portion of the budget totals approximately \$2.7 billion comprised mainly of Auxiliary Revenues of \$711.0 million, \$1.5 billion of restricted funding related to federal grants and other funds of \$533.0 million.

**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 \$6.8 billion.

**CHANCELLOR'S RECOMMENDATION**: That the Finance Committee recommend that the Board of Regents approve the FY 2023 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.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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University System of Maryland  
FY 2023 Operating Budget

Table 1

State	Current Unrestricted Funds				Total	Total	Total	Full Time	Full Time Equivalent
	<u>Appropriations**</u>	<u>Tuition &amp; Fees</u>	<u>Auxiliary</u>	<u>Other</u>					
UMB*	\$311,433,826	\$177,506,519	\$27,698,931	\$270,839,895	\$787,479,171	\$685,512,963	\$1,472,992,134	5,390.57	7,226
UMCP	704,719,905	713,200,882	328,997,357	202,881,623	1,949,799,767	472,123,676	2,421,923,443	9,699.30	34,050
BSU	68,992,466	48,906,281	28,052,350	1,089,232	147,040,329	28,709,513	175,749,842	622.00	4,984
TU	170,743,300	195,702,628	141,404,119	11,391,756	519,241,803	59,800,000	579,041,803	2,548.00	16,214
UMES	61,007,992	21,675,090	18,135,396	940,933	101,759,411	48,603,470	150,362,881	772.87	2,011
FSU	52,079,327	34,503,580	22,495,227	1,407,633	110,485,767	16,084,150	126,569,917	688.00	3,074
CSU	60,480,162	12,444,620	11,538,466	(313,448)	84,149,800	24,394,441	108,544,241	463.00	1,697
UBalt	53,854,256	53,981,958	5,559,266	3,758,090	117,153,570	26,562,284	143,715,854	628.00	2,673
SU	73,943,310	70,210,188	51,848,892	220,113	196,222,503	13,940,000	210,162,503	1,096.00	6,709
UMGC	52,993,843	364,674,835	1,000	11,919,469	429,589,147	56,917,378	486,506,525	1,032.71	34,456
UMBC	183,924,304	145,553,490	75,489,100	37,025,780	441,992,674	95,649,135	537,641,809	2,083.31	11,044
UMCES	25,696,521	0	0	7,170,451	32,866,972	18,230,003	51,096,975	276.86	0
USMO	44,291,265	0	0	8,065,770	52,357,035	272,792,000	325,149,035	108.00	0
USG	29,503,052	1,562,574	750,000	3,062,848	34,878,474	1,850,000	36,728,474	88.00	0
<b>Total</b>	<b>\$1,893,663,529</b>	<b>\$1,839,922,645</b>	<b>\$711,970,104</b>	<b>\$559,460,145</b>	<b>\$5,005,016,423</b>	<b>\$1,821,169,013</b>	<b>\$6,826,185,436</b>	<b>25,496.62</b>	<b>124,138</b>

\*State appropriation total for UMB does not include \$2.5 mil. in special state funds (UMB Miller Center-School of Law)

\*\* Includes General Funds, Higher Education Investment Funds & HBCU Lawsuit Funding

\*\*\* Restricted funds include state restricted funding for Facilities Renewal (\$270M), Maryland Fire & Rescue Institute (\$10.5M) and UMB Miller Center-School of Law (\$2.5M)

University System of Maryland								
FY2023 State Supported Budget								
								<b>Table 2</b>
Allowance Increases								FY2023 State Budget
FY2022 Base Budget	FY2023 Budget Request	Increases for Personnel Costs	BPW Cut Restoration	HBCU Settlement Funds	Financial Aid	Campus Initiatives		
UMB	\$247,751,378	\$258,376,378	\$37,548,059	\$14,159,389		\$1,338,007	\$3,850,000	\$315,271,833
UMCP	564,124,077	568,474,216	94,228,023	41,017,666		3,645,336	1,000,000	\$708,365,241
BSU	47,974,032	49,474,032	6,657,145	2,239,252	10,572,037	1,490,781	50,000	\$70,483,247
TU	138,396,191	140,551,926	23,654,842	6,536,532		3,299,349		\$174,042,649
UMES	45,487,454	46,709,035	5,343,011	2,852,502	6,103,444	899,907		\$61,907,899
FSU	43,536,609	44,426,922	4,809,926	2,842,479		1,322,281		\$53,401,608
CSU	46,635,106	47,304,980	4,815,648	2,692,806	5,666,728	803,300		\$61,283,462
UBalt	42,184,136	42,309,136	7,200,152	3,369,866		1,070,654	975,102	\$54,924,910
SU	59,537,145	60,511,682	10,088,372	3,343,256		1,688,488		\$75,631,798
UMGC	42,717,428	42,717,428	6,666,010	3,610,405		2,551,209		\$55,545,052
UMBC	153,369,986	157,639,714	18,470,656	6,113,934		1,890,688	1,700,000	\$185,814,992
UMCES	22,181,223	22,181,223	1,721,733	1,793,565				\$25,696,521
USMO	19,738,590	19,977,819	1,846,961	1,466,485			1,000,000	\$24,291,265
USG	22,146,317	22,146,317	552,796	1,803,939			5,000,000	\$29,503,052
<b>USM total</b>	<b>\$1,495,779,672</b>	<b>\$1,522,800,808</b>	<b>\$223,603,334</b>	<b>\$93,842,076</b>	<b>\$22,342,209</b>	<b>\$20,000,000</b>	<b>\$13,575,102</b>	<b>\$1,896,163,529</b>

Table 3a

<b>SUMMARY OF EXPENDITURES</b>									
<b>UNIVERSITY SYSTEM OF MARYLAND - SUMMARY</b>									
	<b>FY 2021 Actual</b>		<b>FY 2022 Appropriation</b>		<b>FY 2023 Allowance</b>		<b>FY 2023 Change</b>		
<b>Expenditures</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>%</b>
Salaries & Wages	24,964.51	\$3,507,533,364	25,435.62	\$3,700,971,652	25,496.62	\$3,980,923,392	61.00	\$279,951,740	8%
Technical and Special Fees		132,591,338		118,715,390		114,372,265		(4,343,125)	-4%
Non-Salary Operations & Maintenance		1,961,824,046		2,346,992,299		2,253,559,244		(93,433,055)	-4%
Facilities Renewal		254,418,068		423,344,881		477,330,535		53,985,654	13%
Subtotal Operating Expenses		<u>\$2,216,242,114</u>		<u>\$2,770,337,180</u>		<u>\$2,730,889,779</u>		<u>(\$39,447,401)</u>	-1%
<b>Total Expenditures</b>	<b>24,964.51</b>	<b>\$5,856,366,816</b>	<b>25,435.62</b>	<b>\$6,590,024,222</b>	<b>25,496.62</b>	<b>\$6,826,185,436</b>	<b>61.00</b>	<b>\$236,161,214</b>	<b>4%</b>
<b>Revenue</b>									
<b>Current Unrestricted Revenue:</b>									
Tuition and Fees		\$1,741,513,455		\$1,793,100,977		\$1,839,922,645		\$46,821,668	3%
State General Funds		1,427,526,470		1,438,377,451		1,762,383,726		324,006,275	23%
Higher Education Investment Fund		77,903,039		128,280,125		108,937,594		(19,342,531)	-15%
HBCU Settlement General/Special Funds		0		0		22,342,209		22,342,209	100%
Maryland Energy Innovation		1,500,000		1,500,000		1,500,000		0	0%
Federal Grants and Contracts		177,530,708		164,972,997		164,991,997		19,000	0%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		82,663,161		26,354,967		0		(26,354,967)	-100%
Private Gifts, Grants and Contracts		72,572,222		62,025,240		62,019,701		(5,539)	0%
State and Local Grants and Contracts		23,397,752		20,826,256		20,985,862		159,606	1%
Sales and Services of Educational Activities		200,292,323		225,542,440		241,538,653		15,996,213	7%
Sales and Services of Auxiliary Enterprises		373,467,745		666,028,688		711,970,104		45,941,416	7%
Other Sources		106,352,461		117,051,576		102,211,455		(14,840,121)	-13%
Transfer (to)/from Fund Balance		(36,878,803)		(6,737,453)		(33,787,523)		(27,050,070)	401%
<b>Total Unrestricted Revenue</b>		<u><b>\$4,247,840,533</b></u>		<u><b>\$4,637,323,264</b></u>		<u><b>\$5,005,016,423</b></u>		<u><b>\$367,693,159</b></u>	<b>8%</b>
<b>Current Restricted Revenue:</b>									
Federal Grants and Contracts		\$826,634,356		\$850,049,765		\$874,199,865		\$24,150,100	3%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		144,497,718		267,889,430		35,624,556		(232,264,874)	-87%
Private Gifts, Grants and Contracts		219,251,642		207,678,192		200,870,251		(6,807,941)	-3%
State and Local Grants and Contracts		185,725,513		190,781,978		193,658,353		2,876,375	2%
State Special Funds (Restricted)		30,773,369		222,775,698		283,804,216		61,028,518	27%
Other Sources		201,643,685		213,525,895		233,011,772		19,485,877	9%
<b>Total Restricted Revenue</b>		<u><b>\$1,608,526,283</b></u>		<u><b>\$1,952,700,958</b></u>		<u><b>\$1,821,169,013</b></u>		<u><b>(\$131,531,945)</b></u>	<b>-7%</b>
<b>Total Revenue</b>		<u><u><b>\$5,856,366,816</b></u></u>		<u><u><b>\$6,590,024,222</b></u></u>		<u><u><b>\$6,826,185,436</b></u></u>		<u><u><b>\$236,161,214</b></u></u>	<b>4%</b>

Table 3b

**SUMMARY OF EXPENDITURES  
UNIVERSITY SYSTEM OF MARYLAND - STATE SUPPORTED**

	FY 2021 Actual		FY 2022 Appropriation		FY 2023 Allowance		FY 2023 Change		%
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	
<b>Expenditures</b>									
Salaries & Wages	17,044.52	\$2,262,082,967	17,548.81	\$2,423,098,769	17,600.31	\$2,605,387,629	51.50	\$182,288,860	8%
Technical and Special Fees		79,963,587		60,050,595		60,079,862		29,267	0%
Non-Salary Operations & Maintenance		845,237,077		864,986,461		987,506,198		122,519,737	14%
Facilities Renewal		195,869,508		340,832,587		423,825,001		82,992,414	24%
Subtotal Operating Expenses		<u>\$1,041,106,585</u>		<u>\$1,205,819,048</u>		<u>\$1,411,331,199</u>		<u>\$205,512,151</u>	17%
<b>Total Expenditures</b>	<b>17,044.52</b>	<b>\$3,383,153,139</b>	<b>17,548.81</b>	<b>\$3,688,968,412</b>	<b>17,600.31</b>	<b>\$4,076,798,690</b>	<b>51.50</b>	<b>\$387,830,278</b>	<b>11%</b>
<b>Revenue</b>									
<b>Current Unrestricted Revenue:</b>									
Tuition and Fees		\$1,590,764,038		\$1,625,025,438		\$1,669,981,007		\$44,955,569	3%
State General Funds		1,427,526,470		1,438,377,451		1,762,383,726		324,006,275	23%
Higher Education Investment Fund		77,903,039		128,280,125		108,937,594		(19,342,531)	-15%
HBCU Settlement General/Special Funds		0		0		22,342,209		22,342,209	100%
Maryland Energy Innovation		1,500,000		1,500,000		1,500,000		0	0%
Federal Grants and Contracts		81,807,794		67,296,960		67,296,960		0	0%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		49,658,539		26,354,967		0		(26,354,967)	-100%
Private Gifts, Grants and Contracts		46,408,970		47,734,588		47,734,588		0	0%
State and Local Grants and Contracts		13,083,095		12,117,960		12,119,960		2,000	0%
Sales and Services of Educational Activities		11,491,478		19,492,354		20,515,349		1,022,995	5%
Sales and Services of Auxiliary Enterprises		0		0		0		0	0%
Other Sources		61,157,563		72,644,350		76,362,118		3,717,768	5%
Transfer (to)/from Fund Balance		(36,521,517)		(10,948,314)		(29,691,534)		(18,743,220)	171%
<b>Total Unrestricted Revenue</b>		<u><b>\$3,324,779,469</b></u>		<u><b>\$3,427,875,879</b></u>		<u><b>\$3,759,481,977</b></u>		<u><b>\$331,606,098</b></u>	<b>10%</b>
<b>Current Restricted Revenue:</b>									
Federal Grants and Contracts		\$18,793,302		\$21,478,908		\$21,158,925		(\$319,983)	-1%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		11,765,057		15,260,810		10,715,973		(4,544,837)	-30%
Private Gifts, Grants and Contracts		405,871		450,000		450,000		0	0%
State and Local Grants and Contracts		6,200,440		10,699,815		10,699,815		0	0%
State Special Funds (Restricted)		21,209,000		213,203,000		273,292,000		60,089,000	28%
Other Sources		0		0		1,000,000		1,000,000	100%
<b>Total Restricted Revenue</b>		<u><b>\$58,373,670</b></u>		<u><b>\$261,092,533</b></u>		<u><b>\$317,316,713</b></u>		<u><b>\$56,224,180</b></u>	<b>22%</b>
<b>Total Revenue</b>		<u><b>\$3,383,153,139</b></u>		<u><b>\$3,688,968,412</b></u>		<u><b>\$4,076,798,690</b></u>		<u><b>\$387,830,278</b></u>	<b>11%</b>

Table 3c

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

	FY 2021 Actual		FY 2022 Appropriation		FY 2023 Allowance		FY 2023 Change		%
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	
<b>Expenditures</b>									
Salaries & Wages	7,919.99	\$1,245,450,397	7,886.81	\$1,277,872,883	7,896.31	\$1,375,535,763	9.50	\$97,662,880	8%
Technical and Special Fees		52,627,751		58,664,795		54,292,403		(4,372,392)	-7%
Non-Salary Operations & Maintenance		1,116,586,969		1,482,005,838		1,266,053,046		(215,952,792)	-15%
Facilities Renewal		58,548,560		82,512,294		53,505,534		(29,006,760)	-35%
Subtotal Operating Expenses		\$1,175,135,529		\$1,564,518,132		\$1,319,558,580		(\$244,959,552)	-16%
<b>Total Expenditures</b>	<b>7,919.99</b>	<b>\$2,473,213,677</b>	<b>7,886.81</b>	<b>\$2,901,055,810</b>	<b>7,896.31</b>	<b>\$2,749,386,746</b>	<b>9.50</b>	<b>(\$151,669,064)</b>	<b>-5%</b>
<b>Revenue</b>									
<b>Current Unrestricted Revenue:</b>									
Tuition and Fees		\$150,749,417		\$168,075,539		\$169,941,638		\$1,866,099	1%
State General Funds		0		0		0		0	0%
Higher Education Investment Fund		0		0		0		0	0%
HBCU Settlement General/Special Funds		0		0		0		0	0%
Maryland Energy Innovation		0		0		0		0	0%
Federal Grants and Contracts		95,722,914		97,676,037		97,695,037		19,000	0%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		33,004,622		0		0		0	0%
Private Gifts, Grants and Contracts		26,163,252		14,290,652		14,285,113		(5,539)	0%
State and Local Grants and Contracts		10,314,657		8,708,296		8,865,902		157,606	2%
Sales and Services of Educational Activities		188,800,845		206,050,086		221,023,304		14,973,218	7%
Sales and Services of Auxiliary Enterprises		373,467,745		666,028,688		711,970,104		45,941,416	7%
Other Sources		45,194,898		44,407,226		25,849,337		(18,557,889)	-42%
Transfer (to)/from Fund Balance		(357,286)		4,210,861		(4,095,989)		(8,306,850)	-197%
<b>Total Unrestricted Revenue</b>		<b>\$923,061,064</b>		<b>\$1,209,447,385</b>		<b>\$1,245,534,446</b>		<b>\$36,087,061</b>	<b>3%</b>
<b>Current Restricted Revenue:</b>									
Federal Grants and Contracts		\$807,841,054		\$828,570,857		\$853,040,940		\$24,470,083	3%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		132,732,661		252,628,620		24,908,583		-227,720,037	-90%
Private Gifts, Grants and Contracts		218,845,771		207,228,192		200,420,251		-6,807,941	-3%
State and Local Grants and Contracts		179,525,073		180,082,163		182,958,538		2,876,375	2%
State Special Funds (Restricted)		9,564,369		9,572,698		10,512,216		939,518	10%
Other Sources		201,643,685		213,525,895		232,011,772		18,485,877	9%
<b>Total Restricted Revenue</b>		<b>\$1,550,152,613</b>		<b>\$1,691,608,425</b>		<b>\$1,503,852,300</b>		<b>(\$187,756,125)</b>	<b>-11%</b>
<b>Total Revenue</b>		<b>\$2,473,213,677</b>		<b>\$2,901,055,810</b>		<b>\$2,749,386,746</b>		<b>(\$151,669,064)</b>	<b>-5%</b>





**TOPIC:** FY 2023 System Funded Construction Program Request

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** This is a request for approval of the FY 2023 System Funded Construction Program in the amount of \$41,596,000 that is the first year of the proposed FY 2023-2027 System Funded Construction Program of \$398,117,000, as indicated in the attachment. The USM Auxiliary Bond portion of the total is \$20,896,000 for FY 2023 and a five-year total of \$330,417,000. Other than those 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 FY 2023. 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 2023 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: PROPOSED DRAFT**

**BOARD OF REGENTS FY2023-2027 SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) -- \$'000'S**

New requests for FY 2023 are shown in **BOLD**  
Changes since initial working draft (in **RED**)

FUNDING CALENDAR

INSTN	PROJECTS	Prior	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	
<b>USM Auxiliary Bonds</b>								
UMCP	High Rise Residence Halls Renovation: Phased (See Cash Below)	64,880	6,850 PC	52,010 PC	13,390 PC	47,490 PC	56,190 PC	
UMCP	South Campus Recreation Center			9,000 PC	16,000 C			
UMCP	New Dining Hall (in support of 1,500 bed/PPP dorm)			<b>10,600 PC</b>	<b>19,400 CE</b>	as requested		
TU	Glen Tower/Plaza Renovation (See Cash Below)	45,100 CE	9,046 CE					
<b>TU</b>	<b>401 Washington Renovation (See Cash Below)</b>		<b>5,000 C</b>	<b>10,000 C</b>				
FSU	Cambridge Hall Renovation			1,000 P	7,000 PC	7,000 CE		
CSU	Student Center & Residential Complex (SCRC) Phase 1 (plus state funding) (See Cash Below)	6,864			1,222 C	34,319 CE	2,900 E	
UMBC	The Commons Courtyard Enclosure						22,000 PCE	
<b>Subtotal: USM Bonds/Direct Debt RECOMMENDED</b>			<b>20,896</b>	<b>82,610</b>	<b>57,012</b>	<b>88,809</b>	<b>81,090</b>	
<b>FIVE YEAR SUBTOTAL BONDS (USM DEBT)</b>							<b>330,417</b>	
<b>Cash or Institutional Funding</b>								
<b>UMB</b>	<b>USG Bldg 1 Renov, Nursing (see * below)</b>	<b>2,230 PCE</b>	<b>Change in fund source for information only*</b>					
UMCP	Field Hockey & Lacrosse Complex Expansion	4,800	6,300 CE					
UMCP	Campus Farm Upgrades (formerly Animal Sciences Pavilion)	2,000 P		12,100 PCE	4,400 PCE	4,500 CE		
UMCP	High-Rise Res Halls Renov: Phased (See Bonds Above)	21,700						
TU	Glen Tower/Plaza Renovation (See Bonds Above)		4,400 PCE					
<b>TU</b>	<b>401 Washington Renovation (See Bonds Above)</b>		<b>5,000 PC</b>	<b>10,000 CE</b>				
<b>SU</b>	<b>Arts Center Building M2</b>		<b>2,000 PC</b>	<b>4,000 CE</b>				
<b>SU</b>	<b>St. Martin Residence Hall Renovations</b>		<b>3,000 PC</b>	<b>5,000 PC</b>	<b>7,000 PC</b>			
<b>Subtotal: USM Cash/Institutional Funds RECOMMENDED</b>			<b>20,700</b>	<b>31,100</b>	<b>11,400</b>	<b>4,500</b>	<b>0</b>	
<b>FIVE YEAR SUBTOTAL (CASH)</b>							<b>67,700</b>	

\*At their 11/13/20 meeting, the Board of Regents approved a \$7.5M renovation of Building 1 at the Universities of Shady Grove for the UMB School of Nursing. Funding included \$3.23M in a combination of donor funds and/or debt financing to be arranged through the USM Office and to be repaid by the UMB School of Nursing. **UMB had arranged for \$2.23M in debt financing, but current financial circumstances will allow the institution and the school to fund the work with institutional funds, rather than USM debt financing.** The SFCP approval cycle provides an opportunity to inform the Board of this change in fund source.

<b>TOTAL SFCP PROGRAM (BONDS, CASH)</b>	<b>41,596</b>	<b>113,710</b>	<b>68,412</b>	<b>93,309</b>	<b>81,090</b>
<b>FIVE YEAR TOTAL BONDS, CASH</b>					<b>398,117</b>

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

**END OF SFCP RECOMMENDATIONS**

FUNDING CALENDAR

INST'N	PROJECTS	Prior	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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**REQUESTS FOR NEW HOUSING STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION)\***

UMCP	New Residence Hall (900 - 1,100 beds)(PPP)	PPP			Public/Private Partnership financing to be considered		
UMCP	New Residence Hall (1,500 beds)(PPP)	PPP			Public/Private Partnership financing to be considered		
UMCP	New Residence Hall (350 beds)	Bonds					16,500 PC
TU	Phase V Housing (500 Beds and 300 parking spaces)	Bonds	7,000 P	13,500 PC	50,000 C	24,615 CE	
<b>USM Bond Subtotal: Requests for Housing Projects (still under review)</b>			<b>7,000</b>	<b>13,500</b>	<b>50,000</b>	<b>24,615</b>	<b>16,500</b>

\*Note: Where possible, private financing is the preferred financing method for new beds. If not developed via a fully private project, new beds are to be considered next for potential Public/Private Partnership (PPP) funding. PPP projects are typically brought to the Board individually for consideration, outside the capital cycle. Bond or cash-funded new beds require substantial discussion/justification and will be addressed on a case-by-case basis.

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

UMCP	Parking Garage (3,000 spaces) Pending demand study			33,000 PC		33,000 PC	
UMCP	Renovate and Expand Annapolis Hall				1,800 P	10,000 C	
UMCP	Cecil Residence Hall Renovation					1,050 P	5,250 PC
UMES	Nuttle Hall		750 PDC	10,050 C			
CSU	Talon Center (SCRC) Phase 2					863 P	9,137
SU	Guerrieri Student Union Renovation					2,500 P	7,500 PC
<b>Subtotal: Bond Requests Still Under Review</b>			<b>750</b>	<b>43,050</b>	<b>1,800</b>	<b>47,413</b>	<b>21,887</b>

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

<b>none</b>							
<b>Subtotal: Cash Requests Still Under Review</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

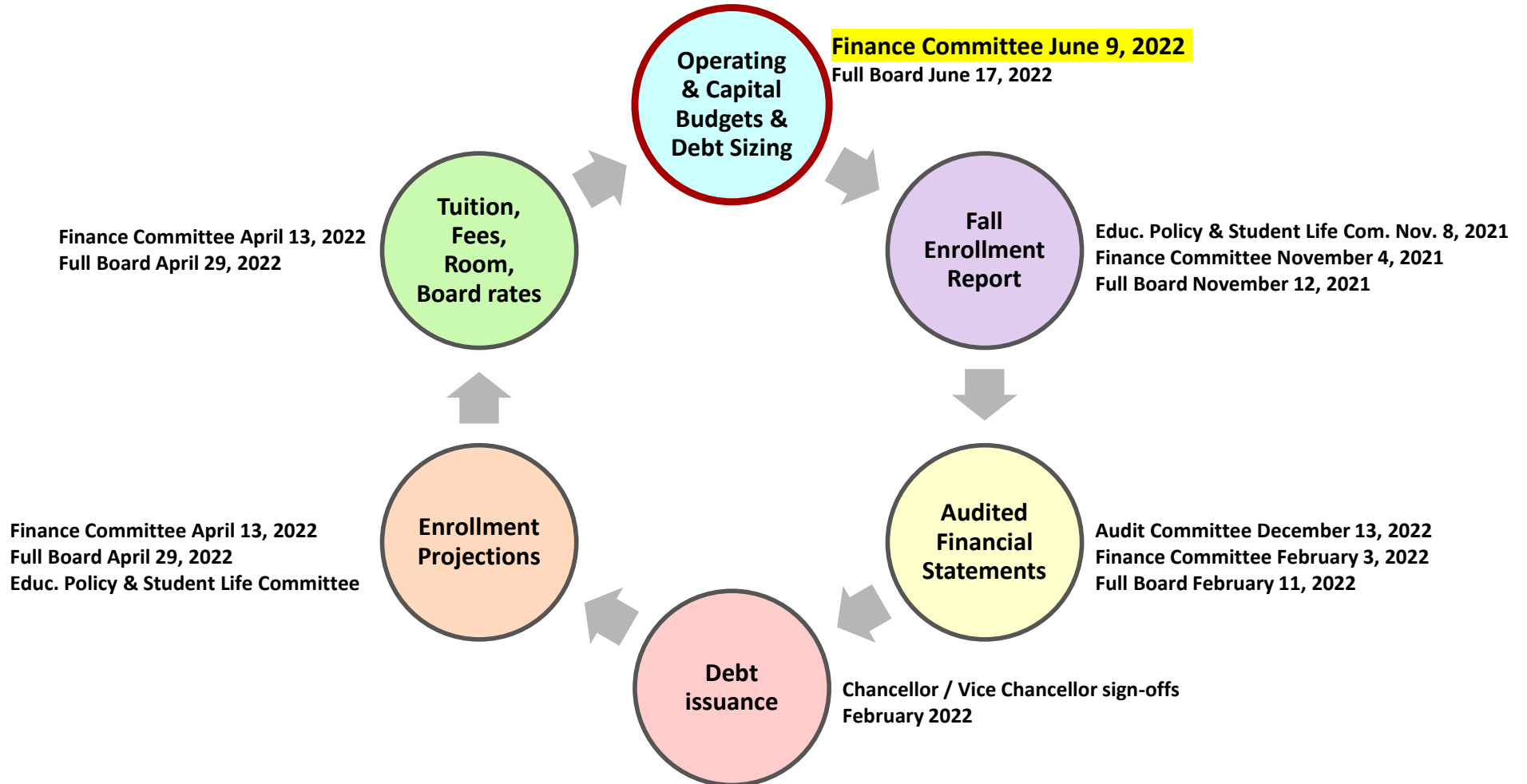
**ENERGY PERFORMANCE CONTRACTS**

UMCP	Energy Upgrades in Multiple Buildings	EPC (State contract; No Board of Public Works approval required. Shown here for the Board's information)					
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This project will perform various energy conservation measures (e.g., LED lighting upgrades, HVAC automation upgrades, building envelope improvements) in seven academic buildings to reduce energy consumption by at least 20 percent. These upgrades are estimated to cost \$22M. This project supports the goals of the University's Energy Initiative. They will be implemented via an Energy Performance Contract, with the energy cost savings financing the cost of the upgrades. The upgrades will be performed in McKeldin Library, Marie Mount Hall, Martin Hall, Kim Engineering Building, Research Greenhouse, Bioscience Research Building, and the Avrum Gudelsky Veterinary Center.

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

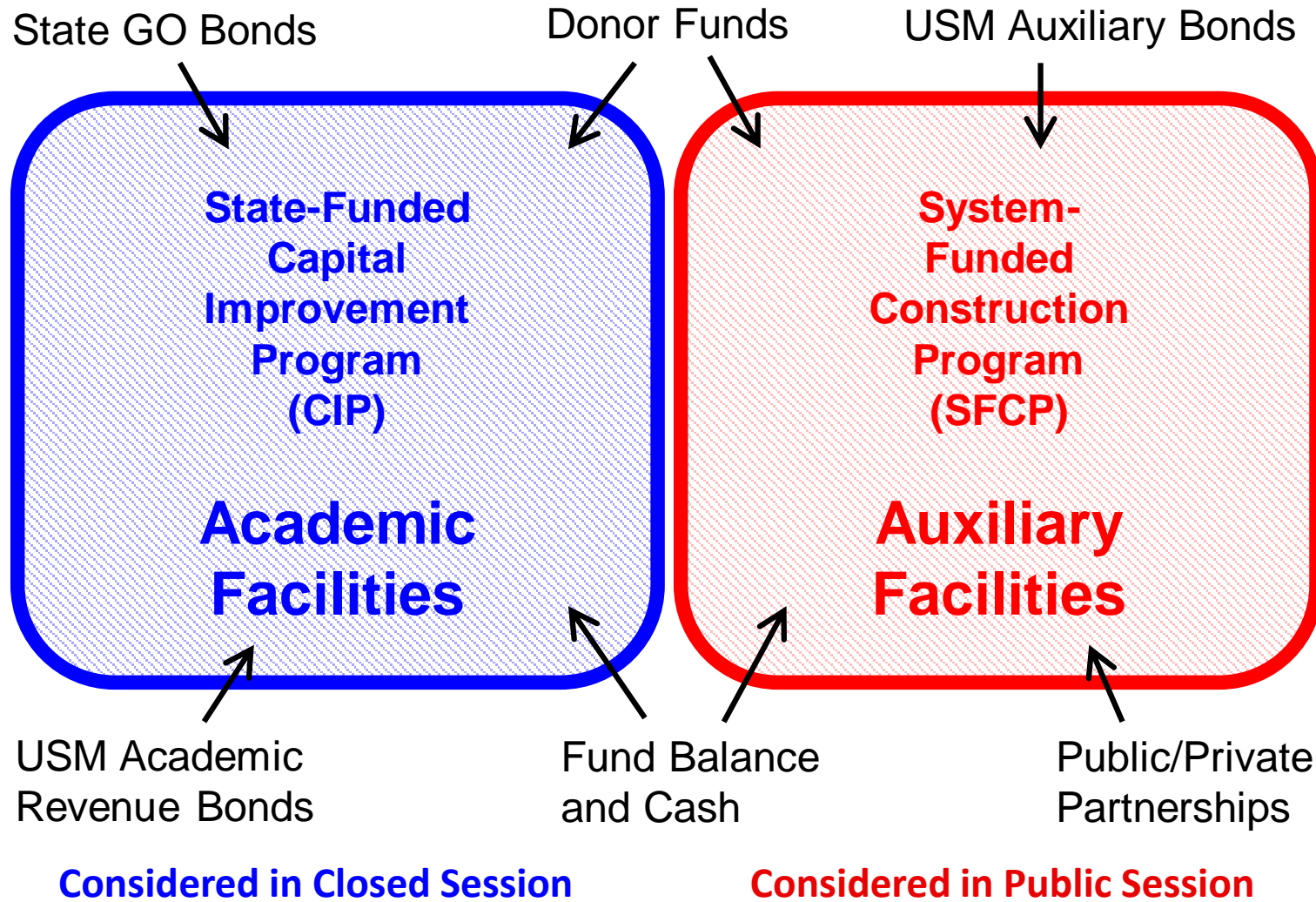
# Annual Cycle for Inputs into Financial Management



## TODAY: The USM Capital Budget Process

<b>March</b>	Institutional Requests
<b>April</b>	Legislative Session Ends
<b>May</b>	USM Working Drafts to Presidents Feedback from Presidents with invitation to discuss individually with the Chancellor
<b>June</b>	<b>Regents' Finance Committee</b> Board of Regents (Vote) Submit to State
<b>July</b>	Virtual Capital Budget Hearings with DBM
<b>January</b>	Governor releases Capital Budget
<b>March</b>	Legislative Hearings

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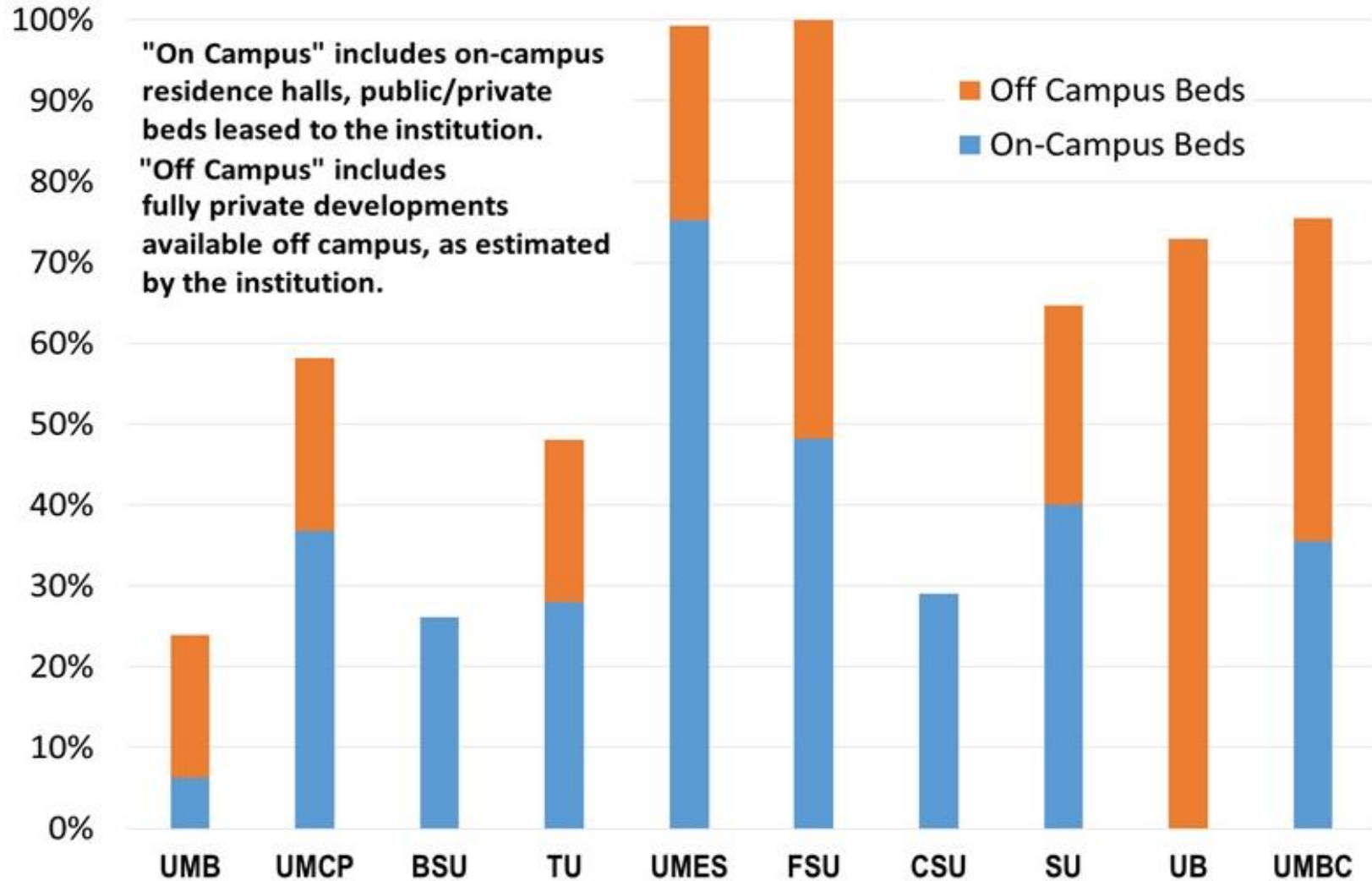


# **System-Funded Construction Program (SFCP)**



# SFCP: Priority is Housing to Retain Students—

## Campus Housing as Percentage of FTE Students





## SFCP: Key Issues and Decisions –

- Most of recommended priorities (first page) are those that were in prior SFCP five year plans brought to the Board
- SFCP requests (especially Bond-funded) must demonstrate need and financial viability to be considered
- A few changes requested by institutions are shown on the proposed budget sheet
- For any requests appearing on page two, we'll take another year to evaluate and reassess for the next budget cycle
- Requests for new student beds
  - Leverage the private sector to provide them
  - The Board can review public/private housing development proposals separately at any time during the year



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** University System of Maryland: Forty-Fourth Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The Board of Regents has previously adopted forty-three 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 \$61,496,000 of academic and auxiliary facilities projects.

The Auxiliary Facilities Projects submitted in this Forty-Fourth Bond Resolution may be subject to adjustments in order to align it with the FY 2023 System Funded Construction Program Request to be considered and adopted by the Board on June 17, 2022. Any changes to this Resolution will be reported to the Committee on Finance. The total amount of bonds authorized will not exceed \$50,896,000.

Academic Facilities Projects

- University of Maryland, College Park: Infrastructure Project \$2,500,000
- University of Maryland Eastern Shore: Campus Flood Mitigation Project \$2,192,000
- System-wide Capital Facilities Renewal \$25,308,000

Auxiliary Facilities Projects

- University of Maryland, College Park: High Rise Residence Halls Renovation, Phased \$6,850,000
- Towson University: Glen Towers Addition and Renovation \$9,046,000
- Towson University: 401 Washington Renovation \$5,000,000

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

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

**FISCAL IMPACT:** Issuance of \$50,896,000 of bonds would result in debt service of approximately \$3.4 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-Fourth Bond Resolution.

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COMMITTEE RECOMMENDATION: \_\_\_\_\_ DATE: \_\_\_\_\_

BOARD ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**FORTY-FOURTH BOND RESOLUTION  
OF THE BOARD OF REGENTS OF THE  
UNIVERSITY SYSTEM OF MARYLAND  
AUTHORIZING THE ISSUANCE AND SALE OF UP TO  
\$50,896,000 UNIVERSITY SYSTEM OF MARYLAND  
AUXILIARY FACILITY AND TUITION  
REVENUE BONDS**



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**FORTY-FOURTH BOND RESOLUTION  
OF THE BOARD OF REGENTS OF THE  
UNIVERSITY SYSTEM OF MARYLAND  
AUTHORIZING THE ISSUANCE AND SALE OF UP TO  
\$50,896,000 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 \$50,896,000 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-Fourth Bond Resolution (as amended or supplemented from time to time, this "Resolution" or "Forty-Fourth 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-Fourth 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-Fourth Resolution Bond bearing interest at a rate which is fixed to the maturity of such Forty-Fourth Resolution Bond.

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

“Forty-Fourth 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-Fourth Resolution Bond paid in full, the date of payment in full of such Forty-Fourth Resolution Bond.

“Issuance Date” means each date on which all or any portion of the Forty-Fourth 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-Fourth Resolution Bonds are authorized to be used.

“Record Date” means (a) with respect to Forty-Fourth 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-Fourth Resolution Bonds, the Business Day immediately preceding an Interest Payment Date.

“Refunding Bonds” means (i) Forty-Fourth 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-Fourth Resolution Bonds issued on any Issuance Date executed by an Authorized System's Representative.

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

## ARTICLE II

### FORTY-FOURTH RESOLUTION BONDS

Section 2.01. Authorized Amount of Forty-Fourth 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-Fourth Resolution Bonds in an aggregate principal amount not to exceed \$50,896,000 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-Fourth Resolution Bonds, all of which shall be issued for the purposes of financing the Projects. The Forty-Fourth 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-Fourth Resolution Bonds shall specify the aggregate principal amount of Forty-Fourth 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-Fourth Resolution Bonds, any words, figures or letters designed to distinguish Forty-Fourth Resolution Bonds issued on a particular Issuance Date from any other Forty-Fourth Resolution Bonds or any other series of Bonds issued on such Issuance Date.

(b) The proceeds from the issuance and sale of the Forty-Fourth 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-Fourth Resolution Bonds designated for Academic Facilities Projects shall be Tuition Revenues and the intended source of payment for the Forty-Fourth 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-Fourth Resolution Bonds.

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

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

(a) The Forty-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth Resolution Bonds.

(c) The Forty-Fourth Resolution Bonds shall be issuable as registered bonds without coupons in any Authorized Denomination. The Forty-Fourth 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-Fourth 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-Fourth Resolution Bonds, shall be secured by and satisfied solely from the Trust Estate.

Section 2.03. Form of Forty-Fourth Resolution Bonds. The Forty-Fourth 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-Fourth 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 \$4,692,000 of the Forty-Fourth Resolution Bonds for the costs of the following constituting Academic Facilities Project:

- (1) University of Maryland, College Park (Prince George’s County)  
Infrastructure Project
- (2) University of Maryland Eastern Shore (Somerset County)  
Campus Flood Mitigation Project

(b) up to \$14,708,000 of the Forty-Fourth 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, College Park (Prince George’s County)  
High Rise Residence Halls Renovation, Phased
- (2) Towson University (Baltimore County)  
Glen Towers Addition and Renovation
- (3) Towson University (Baltimore County)  
401 Washington Renovation

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

(a) accrued interest, if any, on those Forty-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth Resolution Bonds, as may be prescribed in a System Order, to refund any Forty-Fourth 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-Fourth 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-Fourth Resolution Bonds or any other Refunding Bonds previously issued under authority of this Forty-Fourth Bond Resolution or any other Bond Resolution, and (ii) any costs of issuance of such Forty-Fourth Resolution Bonds or any other Refunding Bonds.

(b) Allocation of Refunding Bonds. Any Refunding Bonds issued pursuant to the authority of this Forty-Fourth 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, if advised by Bond Counsel, may 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-Fourth 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-Fourth 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-Fourth 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-FOURTH RESOLUTION BONDS

Section 3.01. Redemption Dates and Prices.

(a) The Forty-Fourth 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 uncanceled 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-Fourth Resolution Bonds, the particular Forty-Fourth Resolution Bonds or portions thereof to be redeemed shall be selected by the Trustee in proportion to the principal amount of Forty-Fourth 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-Fourth Resolution Bonds are registered in book-entry form with a Depository, the particular Forty-Fourth 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-Fourth 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-Fourth Resolution Bonds, in selecting Forty-Fourth Resolution Bonds for redemption the Bond Registrar shall treat each Forty-Fourth Resolution Bond as representing that number of Forty-Fourth Resolution Bonds as is obtained by dividing the principal amount of such Forty-Fourth 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-Fourth Resolution Bond are to be redeemed, then upon notice of intention to effect such redemption, the Holder of such Forty-Fourth Resolution Bond shall forthwith surrender such Forty-Fourth 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-Fourth Resolution Bonds in any Authorized

Denomination or Denominations in the aggregate principal amount of the unredeemed portion of such Forty-Fourth Resolution Bond, which shall be issued to the Holder thereof without charge therefor. If the Holder of any such Forty-Fourth Resolution Bond to be redeemed in part shall fail to present such Forty-Fourth Resolution Bond to the Trustee for payment and exchange, as aforesaid, such Forty-Fourth 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-Fourth 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-Fourth 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-Fourth Resolution Rebate Fund. Any moneys transferred from the Forty-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth Bond Resolution. In addition, the proceeds of the Forty-Fourth 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-Fourth Bond Resolution or the consent of the Trustee or any Holder of the Forty-Fourth 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-Fourth 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-Fourth Resolution Bonds as shall be directed in a System Order relating to any such Forty-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth Resolution Bonds, if any.

Section 8.06. Sale of Forty-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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-Fourth 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 expedient in connection with each issuance, sale and delivery of the Forty-Fourth 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-Fourth Bond Resolution are not intended to be restrictive or technical. Accordingly, this Forty-Fourth 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, 2022.



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

**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 9, 2022

**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 approximately one year’s worth of bond proceeds for projected spending on revenue bond projects. Because of debt issuance timing and project estimates changing, the System 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 began issuing three tranches of debt: 30-, 20, and 10-year debt. In the event a specific tranche is fully depleted, the System will use Cash Funding to bridge the gap until the next bond issuance, rather than using funding with a different term. The process and record-keeping infrastructure necessary to facilitate initially paying the project costs from System cash balances and then reimbursing the amounts spent from the proceeds of the next bond issue have been formalized and are in place. Currently, Facilities Renewal projects are progressing more rapidly than anticipated; the System Office expects to fund some of these projects with cash.

The attached Exhibit A represents all of the projects authorized for revenue bond funding which may 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 issuance.

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

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

**FISCAL IMPACT:** There is no known fiscal impact associated with this resolution.

**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:

DATE:

BOARD ACTION:

DATE:

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 17<sup>th</sup> day of June, 2022

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Ellen Herbst  
Vice Chancellor for Administration and Finance  
University System of Maryland



BOR Finance Committee - Public Session

University System of Maryland

Official Intent Resolution

Exhibit A

Res	Project Type	Project Name	Original Authorization	Allocation USM Emergency	Adjusted Authorization	Balance to be Financed	FY2022 Activity
38	Aux	TU Residence Tower Renovation	\$ 19,600,000.00		\$ 1,918.62	\$ 1,918.62	\$ -
38	Aux	TU Union Addition/Renovation	8,670,000.00		42,185.10	42,185.10	0.00
38	Aux	UMCP Dorchester Residence Hall Renovation	10,300,000.00		608,858.49	608,858.49	0.00
39	Acad	UMES Trigg Hall Small Animal Facility Renov	0.00	\$ 200,000.00	91,304.39	91,304.39	0.00
39	Aux	SU Guerrieri University Center Renovation	2,500,000.00		2,498,684.27	2,498,684.27	0.00
39	Aux	TU Union Addition/Renovation	39,000,000.00		195,155.51	195,155.51	0.00
40	Acad	UMBC Interdisciplinary Life Science Building	5,000,000.00		2,507,409.43	2,507,409.43	0.00
40	Acad	UMCP Chiller Replacement	0.00	130,000.00	130,000.00	130,000.00	0.00
40	Acad	USMSM Concrete Replacement	0.00	88,000.00	88,000.00	88,000.00	0.00
40	Aux	TU Union Addition/Renovation	23,000,000.00		26,370.62	26,370.62	0.00
40	Aux	UMCP Rossborough Lane Parking Garage	2,000,000.00		1,580,077.52	1,580,077.52	0.00
41	Acad	UMBC Utility Upgrades	2,346,000.00		780,078.13	780,078.13	0.00
41	Acad	UMES Flood Mitigation	1,008,000.00		499,913.83	499,913.83	0.00
41	Acad	UMES Pharmacy and Health Professions	5,000,000.00		4,503,339.61	4,503,339.61	0.00
41	Acad	USG Service Center and Nursing	0.00	1,520,000.00	1,374,259.93	946,270.25	427,989.68
41	Aux	FSU Five Dorm Renovation	7,700,000.00		3,691,081.09	3,691,081.09	0.00
41	Aux	FSU New Residence Hall	13,330,000.00		12,667.42	12,667.42	0.00
41	Aux	SU Real Property Acquisition & New Housing Complex	92,500,000.00		92,491,803.38	92,491,803.38	0.00
41	Aux	TU Glen Towers Addition and Renovation	4,201,000.00		1,354,184.64	1,354,184.64	0.00
41	Aux	TU Union Addition/Renovation	13,000,000.00		29,522.76	29,522.76	0.00
41	Aux	UMCP High Rise Residence halls Renovation	1,500,000.00		1,500,000.00	1,500,000.00	0.00
42	Acad	FSU Education & Health Sciences	5,000,000.00		4,611,745.22	4,611,745.22	0.00
42	Acad	UMCP Campuswide Building and Infrastructure	5,000,000.00		3,891,283.71	3,891,283.71	0.00
42	Acad	UMCP Chemistry Building Wing 2,3,5	7,760,000.00		1,364.00	1,364.00	0.00
42	Acad	UMCP Physics Building	3,360,000.00		658,574.55	658,574.55	0.00
42	Acad	UMCP Public Policy Building	23,550,000.00		969,546.18	969,546.18	0.00
42	Acad	UMES Flood Mitigation	10,000,000.00		9,921,647.55	9,921,647.55	0.00
42	Acad	USG/UMB School of Nursing	3,230,000.00		2,230,000.00	2,230,000.00	0.00
42	Aux	TU Glen Towers Addition and Renovation	20,513,000.00		14,651,338.16	14,651,338.16	0.00
42	Aux	TU Union Addition/Renovation	25,100,000.00		8,637,277.58	8,637,277.58	0.00
42	Aux	UMCP North Campus Dining Hall	25,000,000.00		25,000,000.00	6,406,781.44	18,593,218.56
43	Acad	UMCP Infrastructure Project	5,000,000.00		4,534,547.50	4,534,547.50	0.00
43	Aux	FSU Residence Hall Renovations	1,000,000.00		1,000,000.00	1,000,000.00	0.00
43	Aux	TU Glen Towers Addition and Renovations	20,000,000.00		20,000,000.00	20,000,000.00	0.00
43	Aux	TU University Union Expansion and Renovation	8,000,000.00		8,000,000.00	8,000,000.00	0.00
43	Aux	UMB Saratoga Garage Structural & Building System Repairs	2,700,000.00		2,700,000.00	2,700,000.00	0.00
43	Aux	UMES Natural Gas Conversion	1,045,430.00		1,045,430.00	1,045,430.00	0.00
44	Acad	UMCP Infrastructure Project	2,500,000.00		2,500,000.00	2,500,000.00	0.00
44	Acad	UMES Flood Mitigation	2,192,000.00		2,192,000.00	2,192,000.00	0.00
44	Aux	TU 401 Washington Renovation	5,000,000.00		5,000,000.00	5,000,000.00	0.00
44	Aux	TU Glen Towers Addition and Renovations	9,046,000.00		9,046,000.00	9,046,000.00	0.00
44	Aux	UMCP High Rise					
44	Aux	UMCP High Rise Residence Halls Renovation	6,850,000.00		6,850,000.00	6,850,000.00	0.00



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Proposed Amendment to USM Policy VIII-2.70—Policy on Student Classification for Admission and Tuition Purposes

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The USM must amend its Policy on Student Classification for Admission and Tuition Purposes to be in compliance with federal law.

The required amendment is with respect to tuition for individuals using benefits through the Survivors' and Dependents' Educational Assistance Program (DEA), title 38, United States Code, chapter 35.

The McHugh Tuition Fairness for Survivors Act of 2021 requires public colleges and universities that receive GI Bill benefits to provide in-state tuition rates for students using DEA. Named after U.S. Army Colonel John McHugh, this legislation helps reduce the out-of-pocket education costs for surviving spouses and children.

The provision is effective on August 1, 2022 and is applicable for the Fall 2022 semester.

The USM Office of Academic and Student Affairs worked with the Office of the Attorney General to draft the proposed amendment.

**ALTERNATIVE(S):** The regents may make suggestions, but the policy must be amended to comply with the law.

**FISCAL IMPACT:** To be determined and will depend on how many additional students will qualify and enroll.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the proposed amendment to USM's Policy on Student Classification for Admission and Tuition Purposes, as presented.

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COMMITTEE RECOMMENDATION: \_\_\_\_\_ DATE: \_\_\_\_\_

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BOARD ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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USM Bylaws, Policies and Procedures of the Board of Regents

**VIII-2.70—POLICY ON STUDENT CLASSIFICATION FOR ADMISSION AND TUITION PURPOSES**

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(Approved by the Board of Regents August 28, 1990; Amended July 10, 1998; Amended November 27, 2000; Amended April 11, 2003; Amended June 23, 2006; Amended February 15, 2008; Amended October 24, 2014; Amended April 10, 2015; Amended February 17, 2017; Amended June 16, 2017; Amended April 19, 2019; Amended June 17, 2021)

I. POLICY

A. Purpose

To extend the benefits of its system of higher education while encouraging the economical use of the State's resources,<sup>1</sup> it is the policy of the Board of Regents of the University System of Maryland (USM) to recognize the categories of in-state and out-of-state residency for the purpose of admission and assessing tuition at USM institutions.

B. Qualification for In-State Status

Generally, in order to qualify for in-state status, a prospective, returning, or current student must demonstrate that he or she is a permanent Maryland resident. Under certain circumstances, as set forth in this Policy, students who are not permanent Maryland residents may qualify temporarily for in-state status. Students who do not qualify for in-state status under this Policy shall be assigned out-of-state status for admission and tuition purposes.

C. Standard of Proof

The student seeking in-state status shall have the burden of proving by clear and convincing evidence that he or she satisfies the requirements and standards set forth in this Policy. Assignment of in-state or out-of-state status will be made by each USM institution upon a review of the totality of facts known or presented to it.

II. DETERMINATION OF RESIDENCY STATUS

A. Criteria for Determination of Residency Status

An initial determination of residency status will be made at the time of admission and readmission based upon information provided by the student with the signed application certifying that the information provided is complete and correct. Additional information may be requested by the institution, to clarify facts presented. To qualify for in-state status, the student must demonstrate that for at least 12 consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state status, the student had the continuous intent to reside in Maryland indefinitely and for a primary purpose other than that of attending an educational institution in Maryland. The student will demonstrate the requisite intent by satisfying all of the following requirements for the 12-month period (or shorter period indicated):

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<sup>1</sup> Annotated Code of Maryland, Education Article, §12-101.

- 1) Has continuously maintained his or her primary living quarters in Maryland.
- 2) Has substantially all personal property, such as household effects, furniture, and pets, in Maryland.
- 3) Has paid Maryland income tax on all taxable income, including all taxable income earned outside of Maryland, and has filed a Maryland Resident Tax Return.
- 4) Has registered all owned or leased motor vehicles in Maryland for at least 12 consecutive months, if previously registered in another state. Students who have lived in Maryland for at least 12 consecutive months but who have had their motor vehicle(s) registered in Maryland for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their owned or leased motor vehicle(s) was (were) registered in Maryland within 60 days after moving to the state.
- 5) Has possessed a valid Maryland driver's license for at least 12 consecutive months, if previously licensed to drive in another state. Students who have lived in Maryland for at least 12 consecutive months but who have held a Maryland driver's license for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their driver's license was issued in Maryland within 60 days after moving to the state.
- 6) Is currently registered to vote in Maryland, if previously registered to vote in another state (no time requirement).
- 7) Receives no public assistance from a state other than the State of Maryland or from a city, county, or municipal agency other than one in Maryland.
- 8) Has a legal ability under Federal and Maryland law to live permanently and without interruption in Maryland.

#### B. Presumption of Out-of-State Status

Either of the following circumstances raises a presumption that the student is residing in the State of Maryland primarily for the purpose of attending an educational institution and, therefore, does not qualify for in-state status under this Policy:

- 1) A student is attending school or living outside Maryland at the time of application for admission to a USM institution, or
- 2) A student is Financially Dependent on a person who is not a resident of Maryland. A student will be considered financially independent if the student provides 50% or more of his or her own living and educational expenses and has not been claimed as a dependent on another person's most recent tax returns.

### III. CHANGE IN CLASSIFICATION FOR TUITION PURPOSES

#### A. Petition for Change in Classification for Tuition Purposes

After the initial determination is made, a student seeking a change to in-state tuition status must submit a Petition for Change in Classification for Tuition Purposes that includes all of the information the student wishes the institution to consider. All information must be submitted by the institution's deadline for submitting a petition for the semester for which the student seeks reclassification. Only one Petition may be filed per semester.

## B. Criteria for Change in Tuition Status

A student seeking reclassification from out-of-state to in-state tuition status must demonstrate, by clear and convincing evidence, that for at least twelve (12) consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state tuition status, the student had the continuous intent to 1) make Maryland his or her permanent home; 2) abandon his or her former home state; 3) reside in Maryland indefinitely; and reside in Maryland primarily for a purpose other than that of attending an educational institution in Maryland.

A student will demonstrate the requisite intent by satisfying all of the following requirements for a period of at least twelve (12) consecutive months (or for the shorter period of time indicated) immediately prior to and including the last date available to register for courses in the semester/term for which the student seeks in-state tuition status. Evidence of intent must be clear and convincing and will be evaluated not only by the amount presented but also based upon the reliability, authenticity, credibility and relevance of the evidence and the totality of facts known to the institution. The student must demonstrate (providing appropriate documentation as necessary) that for the relevant period he or she:

- 1) Continuously maintained his or her primary living quarters in Maryland.
- 2) Has substantially all of his or her personal property, such as household effects, furniture, and pets, in Maryland.
- 3) Has paid Maryland income tax on all taxable income including all taxable income earned outside the State and has filed a Maryland Resident Tax Return.
- 4) Has registered all owned or leased motor vehicles in Maryland for at least 12 consecutive months, if previously registered in another state. Students who have lived in Maryland for at least 12 consecutive months but who have had their motor vehicle(s) registered in Maryland for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their owned or leased motor vehicle(s) was (were) registered in Maryland within 60 days after moving to the state.
- 5) Has held a valid Maryland driver's license, if licensed, for at least 12 consecutive months, if a driver's license was previously held in another state. Has possessed a valid Maryland driver's license for at least 12 consecutive months, if previously licensed to drive in another state. Students who have lived in Maryland for at least 12 consecutive months but who have held a Maryland driver's license for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their driver's license was issued in Maryland within 60 days after moving to the state.
- 6) Is currently registered to vote in Maryland, if previously registered to vote in another state (no time requirement).
- 7) Receives no public assistance from a state other than the State of Maryland or from a city, county, or municipal agency other than one in Maryland.

- 8) Has a legal ability under Federal and Maryland law to live permanently without interruption in Maryland.
- 9) Has either not raised the presumption set forth in Section II.B above; or alternatively, if the student's circumstances have raised the presumption set forth in Section II.B above, the student has rebutted that presumption.

C. Rebuttal Evidence

If the information received by the institution about the student has raised the presumption set forth in Section II.B, the student bears the burden of rebutting the presumption set forth in Section II.B by presenting additional evidence of objectively verifiable conduct to rebut the presumption and show the requisite intent. Rebuttal evidence of intent must be clear and convincing and will be evaluated not only by the amount presented but also based upon the reliability, authenticity, credibility and relevance of the evidence and the totality of facts known to the institution. Evidence that does not document a period of at least twelve (12) consecutive months immediately prior to and including the last date available to register for courses in the semester/term for which the student seeks in-state tuition status is generally considered an unfavorable factor under this Policy. The absence of objective, relevant evidence is generally considered an unfavorable factor. A student's statement of intent to remain in Maryland in the future is generally not considered to be objective evidence under this Policy.

For purposes of rebutting the presumption, additional evidence that will be considered includes, but is not limited to:

- 1) Source of financial support:
  - a. Maryland employment and earnings history through sources beyond those incident to enrollment as a student in an educational institution e.g., beyond support provided by work study, scholarships, grants, stipends, aid, student loans, etc. (Tuition costs will be considered as a student expense only to the extent tuition exceeds the amount of any educational scholarships, grants, student loans, etc.), or
  - b. Evidence the student is Financially Dependent, for the previous 12 months, upon a person who is a resident of Maryland.
- 2) Substantial participation as a member of a professional, social, community, civic, political, athletic, or religious organization in Maryland, including professionally related school activities that demonstrate a commitment to the student's community or to the State of Maryland.
- 3) Registration as a Maryland resident with the Selective Service, if applicable.
- 4) Evidence that the student is married to a Maryland resident.
- 5) Evidence that the student attended schools in Maryland for grades K-12.
- 6) Evidence showing the student uses his or her Maryland address as his or her sole address of record for all purposes including on health and auto insurance records, bank accounts, tax records, loan and scholarship records, school records, military records, leases, etc.

- 7) An affidavit from a person unrelated to the student that provides objective, relevant evidence of a student's conduct demonstrating the student's intent to reside in Maryland primarily for a purpose other than that of attending an educational institution in Maryland.
- 8) Evidence of life and employment changes that caused the student to relocate to Maryland for reasons other than primarily educational purposes (e.g., divorce, family relocation, taking care of a sick family member, etc.)

D. Appeal

A student may appeal an adverse decision on a Petition for Change in Classification.

E. Change in Circumstances Altering In-State Status

The student shall notify the USM institution in writing within fifteen (15) days of any change in circumstances which may alter in-state status. Failure to do so could result in retroactive charges for each semester/term affected.

F. Incomplete, Untimely, False or Misleading Information

If necessary, information is not provided by the institution's deadline, the USM institution may, at its discretion, deny or revoke in-state status. In the event incomplete, false, or misleading information is presented, the USM institution may, at its discretion, revoke in-state status and take disciplinary action provided for by the institution's policies. Such action may include suspension or expulsion. In such cases, the institution reserves the right to retroactively assess all out-of-state charges for each semester/term affected.

IV. CRITERIA FOR TEMPORARY QUALIFICATION OF NON-RESIDENTS FOR IN-STATE STATUS

Non-residents with the following status shall be accorded the benefits of in-state status for the period in which they hold such status, if they provide clear and convincing evidence through documentation, by the institution's deadline for the semester for which they seek in-state status, showing that they fall within one of the following categories:

- A. A full-time or part-time (at least 50 percent) regular employee of USM or a USM institution.
- B. The spouse or Financially Dependent child of a full-time or part-time (at least 50 percent) regular employee of USM or a USM institution.
- C. An active duty member of the Armed Forces of the United States as defined in 38 U.S.C.A. § 101(10) as the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components thereof, who is stationed in Maryland, resides in Maryland, or is domiciled in Maryland, or his/her spouse or a financially dependent child of that active duty member. Spouses and children who qualify for exemptions under this provision will retain in-state status for tuition purposes as long as they are continuously enrolled, regardless of whether the active duty member's station assignment, residence, or domicile remains in Maryland.<sup>2</sup>

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<sup>2</sup> Annotated Code of Maryland, Education Article § 15-106.4.

- D. A veteran of the Armed Forces of the United States who provides documentation that he or she was honorably discharged and currently resides or is domiciled in Maryland.<sup>3</sup>
- E. A veteran who lives in Maryland and was discharged from a period of at least 90 days of service in the active military, naval, or air service and is pursuing a course of education with educational assistance under the Montgomery G.I. Bill® (38 U.S.C. §3001) or the Post-9/11 G.I. Bill® (38 U.S.C. §3301).<sup>4</sup> A veteran so described will continue to retain in-state status if the veteran is using educational benefits under either chapter 30 or chapter 33, of title 38, United States Code, and remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school.
- F. Anyone who lives in Maryland, and:
  - 1) Is using transferred Post-9/11 G.I. Bill® benefits (38 U.S.C. §3319) and enrolls after the transferor's discharge or release from a period of at least 90 days of service in the active military, naval or air service; or
  - 2) Is using transferred Post-9/11 G.I. Bill® benefits (38 U.S.C. §3319) and the transferor is a member of the uniformed services who is serving on active duty;
  - 3) Is using benefits under the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. §3311(b)(9))<sup>5</sup>;
  - 4) Is using benefits through the Survivors' and Dependents' Educational Assistance Program (DEA), (38 U.S.C. chapter 35) or
  - 4)5) Is entitled to rehabilitation under 38 U.S.C. §3102(a).

An individual as described in this Section IV.F will continue to retain in-state status if the individual is using educational benefits under chapter 30, ~~31, or~~ 33, or 35 of title 38, United States Code, and remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school.
- G. A member of the Maryland National Guard, as defined in the Public Safety Article of the Maryland Annotated Code, who joined or subsequently serves in the Maryland National Guard to: (i) provide a critical military occupational skill; or (ii) be a member of the Air Force Critical Specialty Code as determined by the National Guard.
- H. For UMUC, only, a full-time active member of the Armed Forces of the United States on active duty, or his/her spouse.
- I. A graduate assistant appointed through a USM institution for the semester/term of the appointment. Except through prior arrangement, this benefit is available only for enrollment at the institution awarding the assistantship.

#### V. ADDITIONAL PROCEDURES

Each USM institution shall develop and publish additional procedures to implement this Policy. Procedures shall provide that on request the institution President or designee has the authority to waive any requirement set forth in Section II if it is determined that the application of the requirements creates an unjust result. These procedures shall be filed with the Office of the Chancellor.

<sup>3</sup> Id.

<sup>4</sup> 38 U.S.C.A. § 3679(c). GI Bill® is a registered trademark of the U.S. Department of Veterans Affairs (VA). More information about education benefits offered by VA is available at the official U.S. government Web site at <http://www.benefits.va.gov/gibill>.

<sup>5</sup> Id.



VI. DEFINITIONS

- A. Financially Dependent: For the purposes of this Policy, a financially dependent student is one who has been claimed as a dependent on another person's prior year tax returns or is a ward of the State of Maryland.
- B. Financially Independent: For the purposes of this Policy, a financially independent student is one who provides 50% or more of his or her own living and educational expenses and has not been claimed as a dependent on another person's most recent tax returns.
- C. Parent: A parent may be a natural parent, or, if established by a court order recognized under the law of the State of Maryland, an adoptive parent.
- D. Guardian: A guardian is a person so appointed by a court order recognized under the laws of the State of Maryland.
- E. Spouse: A spouse is a partner in a legally contracted marriage.
- F. Child: A child is a natural child or a child legally adopted pursuant to a court order recognized under the law of Maryland.
- G. Regular Employee: A regular employee is a person employed by USM or a USM institution who is assigned to a State budget line or who is otherwise eligible to enroll in a State retirement system. Examples of categories NOT considered regular employees are graduate students, contingent employees, and independent contractors.
- H. Continuous Enrollment:
  - 1) Undergraduate Student - An undergraduate student who is enrolled at a USM institution for consecutive fall and spring semesters, until completion of the student's current degree program or unless on an approved leave of absence or participating in an approved program off-campus.
  - 2) Graduate and Professional - Continuous enrollment for a graduate or professional student is defined by the institution in accordance with program requirements.
- I. Armed Forces of the United States: As defined in 38 U.S.C.A. § 101(10) as the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components thereof.



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** University System of Maryland: Proposed Amendment to USM Policy VIII-2.50—Policy on Student Tuition, Fees, and Charges

**COMMITTEE:** Finance Committee

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** At the encouragement of student leaders, Chancellor Perman assembled a workgroup to explore student concerns related to the student fee consultation process as outlined in the Policy on Student Tuition, Fees, and Charges. After discussion and a review of the policy, it was determined that several technical adjustments to the policy were in order.

The revisions to the current USM policy are intended to provide clarification on what was intended as student consultation in the process of setting fees and charges. In addition, the proposed language added to the Room, Board, and Parking Charges section confirms the intent that the student consultation process should include room, board, and parking in this process as well. A red-lined copy of the policy is attached.

These proposed changes have been discussed and reviewed by the presidents, AAAC (provosts and academic affairs vice presidents), vice presidents for student affairs, and the vice presidents for administration and finance.

**ALTERNATIVE(S):** The Committee could choose to recommend that the Board not approve the proposed policy amendment or could recommend alternatives to the proposed amendment.

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

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the proposed policy amendment.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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## VIII-2.50 - POLICY ON STUDENT TUITION, FEES, AND CHARGES

(Approved by the Board of Regents, June 21, 1990; amended June 22, 2012; amended June 22, 2018; Amended )

### I. Tuition and Mandatory Fees

1. The Chancellor, following consultation with the Presidents and the Board, shall propose guidelines for tuition and mandatory fees.
2. As part of the formulation of the annual operating budget request, each President shall recommend tuition and fees within the established guidelines.
3. Tuition and mandatory fees, subject to the approval of the Board, shall be included in the detailed annual operating budget for the University System of Maryland submitted by the Chancellor to the State Department of Budget and Management.

#### 4. Mandatory Fees

- i. General Definition: Mandatory fees are those fees that are charged and applicable to all undergraduate and/or graduate students at an institution. (Many times the fees are pro-rated based on part-time enrollment status.)

These fees provide revenue for the support of operations that are available and for use of the entire student body. These operations are not funded entirely by either tuition revenue or state funds. Some examples of mandatory fees include: athletic, recreation center, shuttle bus, sustainability, student union operating, and student activities.

- ii. Student Consultation: In the interest of giving the Board as much information as possible to make the best and most transparent decision regarding student fee schedules, each campus will ensure that an advisory committee—or other appropriate committee(s) involved in the processes of setting student fees—is established and is comprised of appropriate numbers of students and stakeholders representing each area supported by a student fee.

- The advisory or similar committee(s) will shall have the current fee structure explained and shall be consulted prior to the establishment or change of student fees during the determination process.

- The process by which these advisory committees are involved in the determination of student fees will be submitted to the Board of Regents along with the proposed fee schedule.

II. Room, Board, and Student Parking Charges

1. Each President shall submit proposed annual room, board, and student parking charges to the Chancellor according to a timetable and instructions recommended by the Chancellor and established by the Board.
2. The Chancellor, following consultation with the Presidents, shall present the proposed charges to the Finance Committee for recommendation to the Board.
3. Room charges include room, dormitory, and apartment charges for all university residence hall facilities based on a standard academic year rate.
4. Board charges include charges based on a standard academic year rate.
5. Student Consultation: Each campus will ensure that an advisory committee—or other appropriate committee(s) involved in the processes of setting student fees—is established and is comprised of appropriate numbers of students and stakeholders representing each area supported by a student fee.

- The advisory or similar committee(s) shall have the current fee structure explained and shall be consulted prior to the establishment of any non-mandatory student fee during the determination process.
- The process by which these advisory committees are involved in the determination of student fees will be submitted to the Board of Regents along with the proposed fee schedule.

III. Non-Mandatory Fees

1. General definition: Within the undergraduate and/or graduate student population, subsets of students may be enrolled in or engaged with specific programs/ course study/ activities etc. that create or carry an additional expense. When this occurs, a department may seek funding to help offset these expenditures via a programmatic fee. While understanding that the subset of affected students is required to pay this fee, the fee is not mandatory to the entire undergraduate and/or graduate student population. This type of fee has been categorized as a *non-mandatory fee*, to distinguish it from the mandatory fees covered in section I.
2. Each President may establish fees and charges not included in sections I and II, subject to the provisions in the following paragraphs.
3. The Chancellor may submit to the Finance Committee for recommendation to the Board fees and charges that may significantly affect student costs, or may be considered for consistency among the institutions, or fees that may substantially differ among the institutions.

4. Student Consultation: Each campus will ensure that an advisory committee—or other appropriate committee(s) involved in the processes of setting student fees—is established and is comprised of appropriate numbers of students and stakeholders representing each area supported by a student fee.

- The advisory or similar committee(s) shall have the current fee structure explained and shall ~~will~~ be consulted prior to the establishment of any non-mandatory student fee during the determination process.
- The process by which these advisory committees are involved in the establishment of the non-mandatory student fees shall be reported on annually and submitted by the president to the Office of the Vice Chancellor for Administration and Finance by June 30.

Replacement for: BOR V - 9.00; BOR V - 14.00; BOT XII = C

**REFERENCE:**

Md. Code Ann., Educ., § 12-109(h)



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Adjustment to the Biennial Exempt Salary Structures for Fiscal Years 2023 and 2024

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The USM is committed to conducting a biennial exempt market salary study to maintain salary competitiveness with the market. Based on this year’s study, a 4.4% increase to the exempt salary structures is recommended effective July 1, 2022. When the Board last considered the exempt salary structures in 2020, no increase was recommended.

The attached Biennial Exempt Market Salary Survey Report provides a summary of the 2022 market analysis completed by the USM Compensation & Classification Committee and the recommendation of USM Office and institution officials. This report indicates that the exempt salary market increased by approximately 2.07% in calendar year 2021 and is expected to increase by another 2.33% in calendar year 2022.

The adjusted exempt salary structures appear on page 5 of the attached report and will apply through fiscal year 2024. Employees who fall below the new minimum of their respective pay range will receive a salary increase to the new minimum. Following these structure increases, the announced 3.0% cost of living adjustment and merit increases will be applied.

**ALTERNATIVE(S):** The Board could elect to retain the current Exempt Salary Structures.

**FISCAL IMPACT:** Implementation of the recommended salary structures is estimated to cost \$961,141 excluding the cost of fringe benefits.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve a 4.4% increase to the current exempt salary structures for FY 2023 and FY 2024, as presented.

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COMMITTEE RECOMMENDATION: \_\_\_\_\_ DATE: \_\_\_\_\_

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BOARD ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**CONFIDENTIAL**

**Biennial Exempt Market Salary Survey Report**

**Exempt Salary Structure Adjustment  
Effective July 1, 2022**



**Classification & Compensation Committee**

## Overview

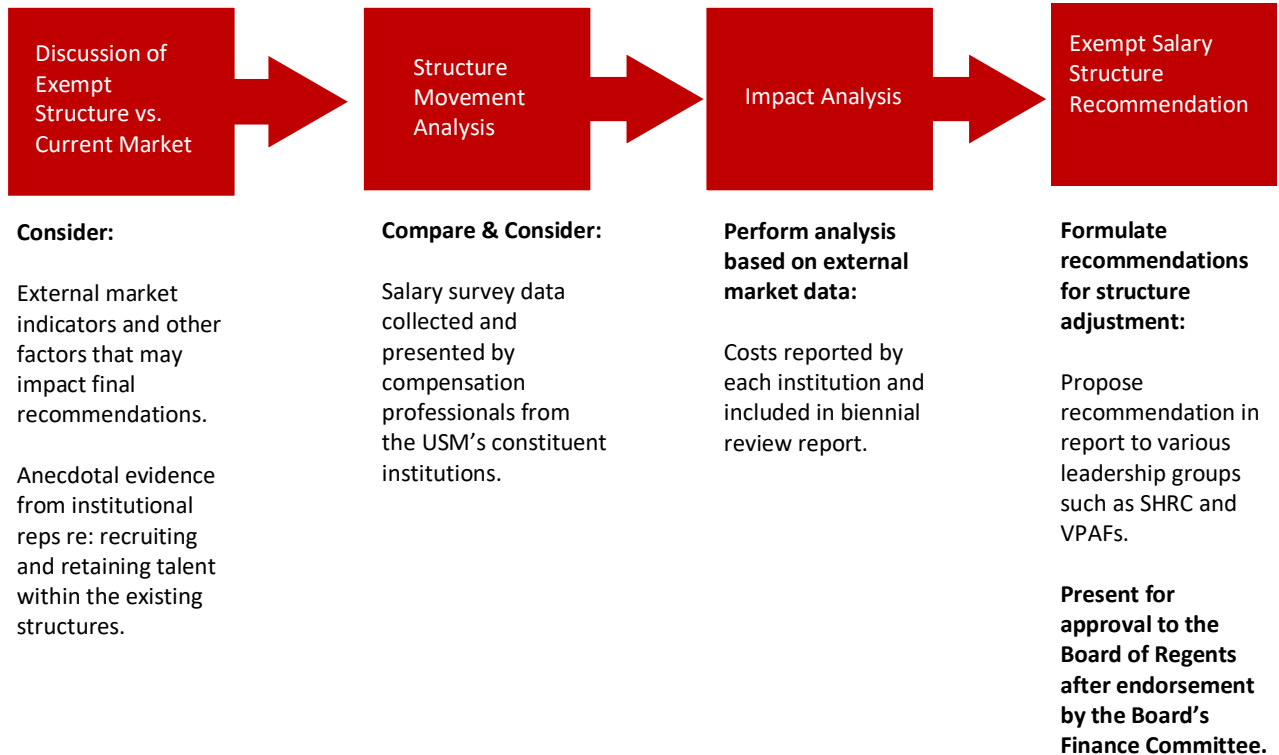
Each year, the Compensation & Classification Committee (CCC), a subcommittee of the Systemwide Human Resources Committee (SHRC), conducts a biennial review of either the nonexempt or exempt staff salary structures, to review the relationship of the USM structures to the external job market. The exempt salary structures are reviewed in even years (such as 2022), and the nonexempt structure in odd.

The biennial reviews ensure the staff pay structures are competitive in the external job market enabling the USM’s institutions to recruit, retain, and reward talented employees to do the work of their unique missions.

This winter, the CCC reviewed the USM’s two exempt salary structures:

- The **wide band structure** is used by most of the USM institutions except the University of Maryland, Baltimore
- The **traditional structure** is only used by the University of Maryland, Baltimore

Compensation professionals from each USM institution compared the USM’s exempt salary structures against market indicators, following the established process of earlier reviews:





A goal of the USM exempt pay plan is to place salaries in “pay ranges and structures that are appropriately competitive within each institution’s respective employment market.” See BOR policy VII-9.11 “Policy on the Pay Administration for Exempt Positions.” This winter, the CCC worked to make a recommendation to adjust the exempt structures to fulfill this policy directive.

Below is a list of recent biennial structure adjustments:

Nonexempt – 1.9% in July 2021 and 3.6% planned for January 2023\* (FY22-23)

Exempt - No increase (FY21-22)

Nonexempt - 4.0% (FY20-21)

Exempt - No increase (FY19-20)\*

Nonexempt - 5.6% (FY18-19)

Exempt - 7.625% (FY17-18)

Nonexempt - 4.0% (FY16-17)

\* Structures were increased 2.0% and 0.5% for COLA’s

The current exempt structures appear in Exhibit 1.

## Recommendation

**The CCC recommends that the exempt salary structures be increased by 4.4%**

**The new exempt structures would be effective in July 2022 and will expire when a new structure is implemented, which is expected to occur in July 2024.**

The proposed exempt structures are in Exhibit 2.

## Rationale

The CCC spent considerable time in gathering data that appears to be reliable, even in this period of uncertainty in the salary market as a result of the COVID-19 pandemic. Compensation staff at UMB and UMGC gathered extensive data and after evaluation, the CCC determined that 15 data points were suitable for use in calculating the final average increase for structures in the exempt salary market. The data chart is in Exhibit 3.

The chart indicates that the exempt salary market increased an average of 2.07% in 2021 and will likely increase by an average of 2.33% in 2022. The committee recommends that an increase of 4.4% (2.07% + 2.33%) be applied to the exempt salary structure in July 2022 in order to maintain pace with the exempt salary market.

## COST

Total Projected Implementation Cost: **\$961,141**

These are the costs of increasing the salaries of only those exempt employees whose salaries are below the minimums of the adjusted ranges to the new range minimums. They exclude the cost of benefits.

Pay adjustments that result from this change to the exempt structure will be the first of several adjustments that employees may receive in July 2022. A 3.0% COLA and 2.5% average merit increase would be calculated after any pay changes required by the new pay structure. Exempt staff increases will follow the Priority for Processing Simultaneous Pay Transactions, for Regular *Nonexempt* Staff Employees (Policy VII - 9.20), excerpted below:

### Section XIV. PRIORITY FOR PROCESSING SIMULTANEOUS PAY TRANSACTIONS

When two or more pay transactions are to occur simultaneously, the order of the processing shall be:

- A. First, salary structure adjustment, if involved,
- B. Second, Cost of Living Adjustment (COLA), if involved,
- C. Third, merit adjustment, if involved,
- D. Fourth, any other transaction such as promotion, reclass, etc.

Details of the cost at each institution are in Exhibit 4.

## Future Consideration

### Next Review of the Exempt Salary Structure

Beginning in the winter of 2023-2024, the CCC will research the salary market and consider the next appropriate changes to the exempt salary structure. This will align with the plan for the biennial review of the exempt structure to occur in even years.

### Request to Update the Pay Program

The most recent update to the exempt pay administration program was more than twenty years ago. The CCC recommends that the USM-wide exempt salary structure be updated and regional wage differentials be considered for implementation. Contracting an external compensation consultant to prepare transformational recommendations for the nonexempt project would be required. CCC members would be advisors in this project to ensure best practices are included and to prepare USM to future nonexempt workforce needs.

USM Compensation & Classification Committee  
February 22, 2022

EXHIBITS

Exhibit 1 - USM Exempt Salary Structures Currently in Use

USM Exempt Salary Structure  
Wide – All except UMB  
Effective April 1, 2019\*

Pay Grade	Minimum	Maximum
I	\$41,004	\$104,847
II	\$49,206	\$142,689
III	\$61,278	\$181,609
IV	\$85,106	\$253,607
V	\$110,640	\$339,575

USM Exempt Salary Structure  
Traditional – UMB Only  
Effective April 1, 2019\*

Pay Range	Minimum	Midpoint	Maximum
C	\$41,004	\$58,729	\$76,454
D	\$48,318	\$69,419	\$90,520
E	\$56,267	\$80,427	\$104,588
F	\$64,219	\$91,742	\$119,266
G	\$74,006	\$105,810	\$137,615
H	\$85,627	\$122,324	\$159,022
I	\$98,470	\$140,060	\$181,651
J	\$108,867	\$162,996	\$217,125
K	\$142,506	\$241,040	\$339,574

\* Exact dates may differ slightly to accommodate the start of a pay period.

Exhibit 2 – Proposed USM Exempt Salary Structures – 4.4% increase

USM Exempt Salary Structure  
Wide – All except UMB  
Effective July 1, 2022

Pay Grade	Minimum	Maximum
I	\$42,808	\$109,460
II	\$51,371	\$148,967
III	\$63,974	\$189,600
IV	\$88,851	\$264,766
V	\$115,508	\$354,516

USM Exempt Salary Structure  
Traditional – UMB Only  
Effective July 1, 2022

Pay Range	Minimum	Midpoint	Maximum
C	\$42,808	\$61,313	\$79,818
D	\$50,444	\$72,473	\$94,503
E	\$58,743	\$83,966	\$109,190
F	\$67,045	\$95,779	\$124,514
G	\$77,262	\$110,466	\$143,670
H	\$89,395	\$127,706	\$166,019
I	\$102,803	\$146,223	\$189,644
J	\$113,657	\$170,168	\$226,679
K	\$148,776	\$251,646	\$354,515

## Exhibit 3 – Salary Market Data for Exempt Employees

Survey Source	Demographic	2021 Actual (Avg)	2022 Proposed (Avg)
Culpepper	Director & Management Level Employees	1.81%	2.22%
Culpepper	Individual Contributors: Professional Level (Non-Sales)	1.93%	2.26%
Culpepper	Individual Contributors: Support Level	1.86%	2.22%
Salary.com	All Organizations - US: Executives	1.80%	2.10%
Salary.com	All Organizations - US: Other Managers	1.70%	2.10%
Salary.com	All Organizations - US: Exempt Employees (non-managers)	1.70%	2.10%
Salary.com	Education, Gov't & Non-profit: Executives	1.50%	1.70%
Salary.com	Education, Gov't & Non-profit: Other Managers	1.50%	1.80%
Salary.com	Education, Gov't & Non-profit: Exempt Employees (non-managers)	1.40%	1.70%
World at Work	Educ Services/National/Officers & Executives	2.20%	2.10%
World at Work	Educ Services/National/Exempt Salaried	2.30%	2.20%
World at Work	Exempt Salaried	3.00%	3.30%
World at Work	Officers Executives	2.80%	3.20%
Willis Towers Watson	Executive	2.80%	3.00%
Willis Towers Watson	Middle Management and Professional	2.70%	3.00%
<b>Average</b>		<b>2.07%</b>	<b>2.33%</b>

## Exhibit 4 – Projected Implementation Cost

Institution	Regular	Contingent I	Contingent II	Total
Bowie	0	2,557	0	2,557
Coppin	0	28,452	9,837	38,289
Frostburg	1,343	N/A	N/A	1,343
Salisbury	1,085	10,423	4,019	15,527
Towson	102,852	N/A	11,455	114,308
UBalt	0	0	0	0
UMB	5,964	0	5,137	11,101
UMBC	3,737	0	4,592	8,329
UMCES	0	0	4,182	4,182
UMCP	19,597	608,370	1,141	629,108
UMES	1,804	0	3,162	4,966
UMGC	17,157	NA	114,274	131,431
USMO				0
			<b>Total</b>	<b>961,141</b>

Excludes the cost of benefits



**TOPIC:** Nonexempt Salary Structure Adjustments and Compression Wage Increases

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The Board of Regents is being asked to approve the proposed nonexempt salary structure adjustments and endorse increases related to wage compression, as described below, effective July 1, 2022.

In December 2021, the Board approved an adjustment to the nonexempt pay structure to bring all grades to a \$15 minimum hourly wage. This adjustment resulted in the same minimum pay for the lowest four grades in the structure, grades 2 through 5, thereby erasing the differential increase in starting pay for each higher grade that existed prior to the Board's action. At the same Board meeting, the Board requested that staff review the salary compression expected to result from this adjustment and make a recommendation to the Board to address it.

The USM Compensation & Classification Committee reviewed this issue and recommends an adjustment to the nonexempt pay structure as follows: the minimum pay of ranges 3, 4, and 5 should be increased by 2.1%, 4.3%, and 6.4%, respectively, and grades 6 – 17 should be increased by 3.6%.

The attached "Mid-Cycle Update to Biennial Nonexempt Market Salary Survey Report" shows the recommended new pay structure on page 4. Any employee whose pay falls below the new minimum of their pay range will have their pay increased to meet the new minimum. The cost for all USM institutions to implement the new pay structure is estimated at \$500,226, not including the cost of fringe benefits.

Upon review of this report and analysis, it was the consensus of the USM institution presidents and the institution vice presidents for finance and administration to recommend adoption of the adjusted pay structure. In addition, in order to address potential salary compression experienced by employees in pay grades 2 through 5, they agreed to increase the hourly wage of certain individuals based on their length of service at the institution. Those increases will be applied as follows:

Length of Service	Compression Wage Adjustment
3 to less than 5 years	\$0.30
5 to less than 10 years	\$0.55
10 to less than 15 years	\$0.80
15 to less than 20 years	\$1.05
20 plus years	\$1.30

Applies to employees in pay grades 2-5 only.

Length of service is based on time at the institution as of July 1, 2022.

The estimated cost to implement these increases at all USM institutions is \$1,283,273, not including the cost of fringe benefits.

Both the new pay structure and the compression pay increases would be effective July 1, 2022 and would be processed according to existing policy.

**ALTERNATIVE(S)**: The Board could modify the recommendation or decline to adopt it.

**FISCAL IMPACT**: For fiscal year 2023, implementation is estimated to cost \$1,783,499, not including the cost of fringe benefits.

**CHANCELLOR'S RECOMMENDATION**: That the Finance Committee recommend that the Board of Regents approve the proposed nonexempt salary structure adjustments and endorse the compression wage increases effective July 1, 2022 as presented.

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COMMITTEE RECOMMENDATION: \_\_\_\_\_ DATE: \_\_\_\_\_

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BOARD ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**Mid-Cycle Update to  
Biennial Nonexempt Market Salary Survey Report  
Recommending  
Nonexempt Salary Structure Adjustments  
for July 2022 to June 30, 2023**



**USM Classification and Compensation Committee  
February 2022**



## Overview

Each year, the Compensation and Classification Committee (the Committee), a subcommittee of the Systemwide Human Resources Committee, conducts a biennial review of either the nonexempt or exempt staff salary structure to examine the relationship of the USM structure to the external job market. Typically, the nonexempt salary structure is reviewed in odd years, the exempt structure in even.

Although the structure was adjusted in July 2021 in accordance with this timetable, the Board of Regents made an “out-of-cycle” adjustment effective January 2022. The January 2022 adjustment was intended to accelerate the goal of reaching a \$15 minimum wage in the structure. On December 16, 2021, the Board approved an adjustment to the structure that brought the minimum pay of the first four pay ranges to \$31,286 per year, the \$15 hourly minimum. At that time, the Board requested that the USM review the structures to address compression and return with an appropriate recommendation. This report is intended to comply with that request.

## Recommendation

The CCC recommends that the nonexempt salary structure be adjusted, as follows:

- **Adjust the minimum pay of ranges 3, 4, and 5 by 2.1%, 4.3%, and 6.4%, respectively. Adjust the maximum pay of each of these ranges to achieve a spread of 35% in each range. Adjust each range midpoint based on the new minimum and maximum of the range.**
- **Adjust the minimum and maximum pay of ranges 6 through 17 by 3.6% and adjust the midpoint based on these new parameters.**
- **The proposed nonexempt pay structure should be effective on the same date in July 2022 when the July COLA and merit increases are effective, and should expire when a new structure is implemented, which is expected to occur in July 2023.**

## Rationale

In the spring of 2021, the Compensation and Classification Committee members researched the salary market and considered the effect of Maryland’s new minimum wage law, which implemented a progression of increases resulting in a \$15 minimum wage in 2025. At that time, the Committee recommended adjusting the nonexempt salary structure by 1.9% in July 2021, along with a second adjustment of 3.6% in January 2023. These adjustments were recommended to comply with Maryland’s minimum wage law, while also reasonably keeping pace with the nonexempt salary market as indicated by then-available data.

However, in December 2021, the Board of Regents adjusted the nonexempt salary structure to require a minimum wage of \$15 per hour in each pay range effective January 2022, well ahead of the Maryland minimum wage law’s implementation. That action created salary compression in the lower ranges, which the Board requested the USM address. The current recommendation addresses compression in the first four pay ranges resulting from the January 2022 structure adjustment and moves up by six months the date of the 3.6% adjustment to the remaining ranges 6 through 17.

The first four pay ranges of the nonexempt salary structure, ranges 2 through 5, currently have the same \$15 per hour minimum. The Committee recommends a progressively higher minimum, midpoint, and maximum salary to ranges 3 through 5 to differentiate between the ranges and provide an appropriate alignment of pay for the positions in those grades. Positions that are part of job families such as Custodians, Food Service Aides, Groundskeepers, Housekeepers, Medical Aides, and Security Assistants are assigned to these ranges. The proposed structure provides for a reasonable progression for the series of jobs in those job families.

The 3.6% adjustment to ranges 6 through 17 will address expected movement in the market and provide differentiation between those ranges in response to the recommended changes to ranges 3 through 5.

During the next year, the Compensation and Classification Committee will research the salary market and make an appropriate recommendation to adjust the nonexempt structure based on that research. This timetable will align with the practice that the biennial review of the nonexempt structure occurs in odd years.

The current and proposed nonexempt structures are found at Exhibit 1.

## COST

Total Projected Implementation Cost: **\$500,226**

These are the costs of increasing the wages of only those employees whose salaries are below the minimums of the adjusted ranges to meet the new minimums. They exclude the cost of benefits.

Pay adjustments required under the new structure would be the first of several adjustments employees are expected to receive in July 2022. A 3.0% COLA and 2.5% merit increase should be applied after any pay changes required by the new pay structure, in accordance with BOR Policy on Pay Administration for Regular Nonexempt Staff Employees (Policy VII - 9.20), excerpted below:

### Section XIV. PRIORITY FOR PROCESSING SIMULTANEOUS PAY TRANSACTIONS

When two or more pay transactions are to occur simultaneously, the order of the processing shall be:

- A. First, salary structure adjustment, if involved,
- B. Second, Cost of Living Adjustment (COLA), if involved,
- C. Third, merit adjustment, if involved,
- D. Fourth, any other transaction such as promotion, reclass, etc.

See Exhibit 2 for details of each institution's costs resulting from the proposed pay structure adjustment.

## Future Considerations

The current USM compensation system was designed more than twenty years ago. The Compensation and Classification Committee recommends that the USM-wide nonexempt job class benchmarks be reviewed and validated in the external market, the entire salary structure be updated, and regional wage differentials be considered for implementation. Contracting an external compensation consultant to prepare transformational recommendations for the nonexempt project likely would be required. Committee members could serve as advisors to this project.

### Exhibit 1 - USM Nonexempt Salary Structures

#### CURRENT

USM Nonexempt Salary Structure Effective January 1, 2022* Annual and Hourly Rates			
Pay Range	Minimum	Midpoint	Maximum
2	\$31,286	\$33,673	\$36,076
	\$15.00	\$16.15	\$17.29
3	\$31,286	\$35,227	\$39,181
	\$15.00	\$16.89	\$18.78
4	\$31,286	\$36,896	\$42,506
	\$15.00	\$17.69	\$20.38
5	\$31,286	\$38,658	\$46,026
	\$15.00	\$18.54	\$22.07
6	\$32,812	\$41,016	\$49,219
	\$15.73	\$19.67	\$23.60
7	\$33,772	\$43,859	\$53,945
	\$16.19	\$21.03	\$25.86
8	\$36,111	\$46,898	\$57,686
	\$17.31	\$22.49	\$27.66
9	\$37,863	\$50,150	\$62,436
	\$18.16	\$24.05	\$29.94
10	\$40,487	\$53,626	\$66,765
	\$19.41	\$25.71	\$32.01
11	\$43,293	\$57,344	\$71,394
	\$20.76	\$27.49	\$34.23
12	\$46,295	\$61,318	\$76,340
	\$22.19	\$29.40	\$36.60
13	\$49,503	\$65,569	\$81,633
	\$23.73	\$31.44	\$39.14
14	\$52,936	\$70,114	\$87,293
	\$25.38	\$33.62	\$41.85
15	\$56,606	\$74,975	\$93,343
	\$27.14	\$35.95	\$44.75
16	\$60,530	\$80,172	\$99,813
	\$29.02	\$38.44	\$47.85
17	\$64,707	\$85,704	\$106,701
	\$31.03	\$41.09	\$51.15

#### PROPOSED

USM Nonexempt Salary Structure Effective July 1, 2022* Annual and Hourly Rates			
Pay Range	Minimum	Midpoint	Maximum
2	\$31,286	\$36,761	\$42,236
	\$15.00	\$17.63	\$20.25
3	\$31,953	\$37,545	\$43,137
	\$15.32	\$18.00	\$20.68
4	\$32,621	\$38,325	\$44,029
	\$15.64	18.38	21.11
5	\$33,288	\$40,494	\$47,700
	\$15.96	19.42	\$22.87
6	\$33,997	\$42,496	\$50,996
	16.30	20.38	24.45
7	\$34,977	\$45,427	\$55,876
	\$16.77	\$21.78	\$26.79
8	\$37,418	\$48,587	\$59,756
	\$17.94	\$23.30	\$28.65
9	\$39,232	\$51,966	\$64,699
	\$18.81	\$24.92	\$31.02
10	\$41,944	\$55,553	\$69,162
	\$20.11	\$26.64	\$33.16
11	\$44,843	\$59,401	\$73,959
	\$21.50	\$28.48	\$35.46
12	\$47,951	\$63,520	\$79,090
	\$22.99	\$30.46	\$37.92
13	\$51,288	\$67,932	\$84,576
	\$24.59	\$32.57	\$40.55
14	\$54,854	\$72,645	\$90,437
	\$26.30	\$34.83	\$43.36
15	\$58,629	\$77,674	\$96,715
	\$28.11	\$37.24	\$46.37
16	\$62,717	\$83,053	\$103,389
	\$30.07	\$39.82	49.57
17	\$67,056	\$88,799	\$110,543
	\$32.15	\$42.58	\$53.00

\* Exact dates may differ slightly to accommodate the start of a pay period.

## Exhibit 2 – Projected Implementation Cost\*

Institution	Regular	Contingent I	Contingent II	Total
Bowie	0	0	0	0
Coppin	0	11,081	10,963	22,044
Frostburg	7,189	27,677	5,006	39,873
Salisbury	24,771	28,687	6,569	60,027
Towson	28,408	22,067	1,523	51,997
UBalt	4,688	7,611	2,045	14,344
UMB	26,997	71,502	10,205	108,704
UMBC	10,871	0	857	11,278
UMCES	1,705	0	0	1,705
UMCP	37,821	50,030	94,874	182,725
UMES	1,090	0	516	1,606
UMGC	2,861	NA	3,063	5,924
USMO	0	0	0	0
<b>Total for 1 year</b>				<b>\$500,226</b>

\*Excludes the cost of benefits.

USM Compensation & Classification Committee  
February 22, 2022



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

**TOPIC:** University of Maryland, Baltimore County: Lease of Real Property to Maryland Department of Health

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The purpose of this item is two-fold. First, to inform the Board of Regents that improved land containing 175 +/- acres in Catonsville, has been transferred to the University System of Maryland for the benefit of the University of Maryland, Baltimore County (UMBC). Second, this transaction also consists of a lease agreement between Maryland Department of Health (MDH) and UMBC that requires the approval of the Board of Regents.

Under the lease, MDH will continue to operate and maintain the property for the Spring Grove Hospital Center, as it does today. The lease has an initial term of ten years with two renewal options up to 5-years each, but also provides for early termination once MDH vacates the property.

The State’s Clearinghouse process for this excess property was completed in December 2021 and the Board of Public Works approved the transfer with a financial consideration of \$1 on May 11, 2022. MDH’s Facilities Master Plan provides for the eventual closing of the Spring Grove Hospital Center, though it will continue operations, as is, until that time. In the interim, UMBC plans to assess the property and complete work in the areas of stormwater management, stream restoration, utilities infrastructure, site work, and hazardous materials abatement to the extent possible with FY 2023 capital funds approved by the Legislature and future capital funding anticipated.

UMBC’s Master Plan Update, scheduled for 2023, will provide the framework for the University’s long-range plans for the Spring Grove property. The property will be used in a manner consistent with the University’s teaching, research, and public service mission. With room to grow, the campus will continue to be an asset to the University System of Maryland, the State, and the local community.

**ALTERNATIVES:** The property was transferred by the Maryland Board of Public Works on May 11, 2022. It is the expectation of the State for UMBC to lease the property to MDH to continue clinical uses so no alternative exists.

**FISCAL IMPACT:** There is a \$1 financial consideration for the transfer of this property to the University and annual rent of \$1 for the leaseback to MDH. Prior to the closing of Spring Grove Hospital Center, UMBC will submit an operating budget request to maintain and operate the property.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the University of Maryland, Baltimore County to lease the Spring Grove Hospital Center to the Maryland Department of Health as described above 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

UMBC SPRING GROVE

**Brief Description of the Property:**

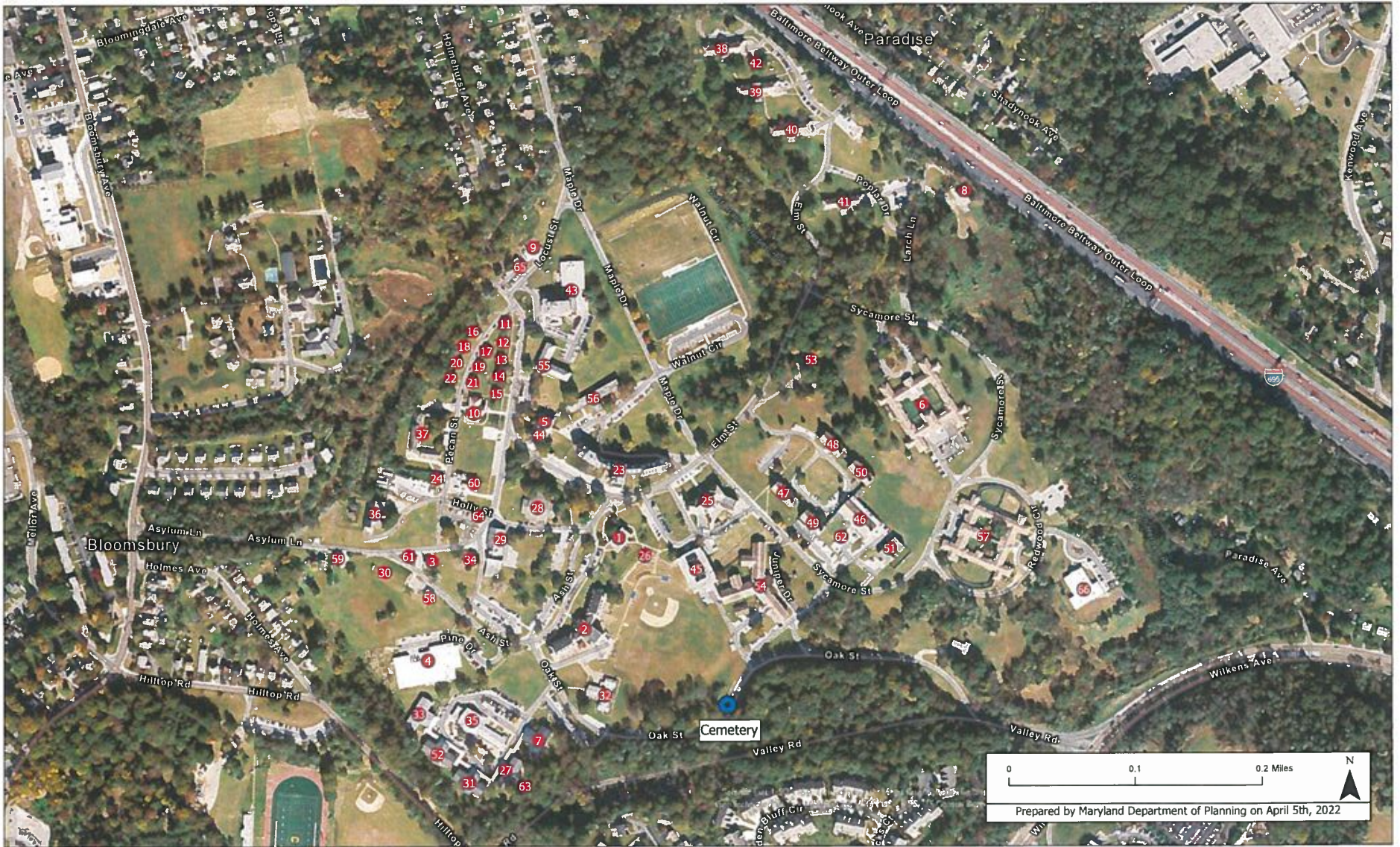
Spring Grove Hospital Center (SGHC) is a 390-bed complex that provides a broad spectrum of inpatient psychiatric services to adults and adolescents, as well as comprehensive residential psychiatric services to adults. The center is owned and operated by the State of Maryland, and is under the governance of the Maryland Department of Health (MDH).

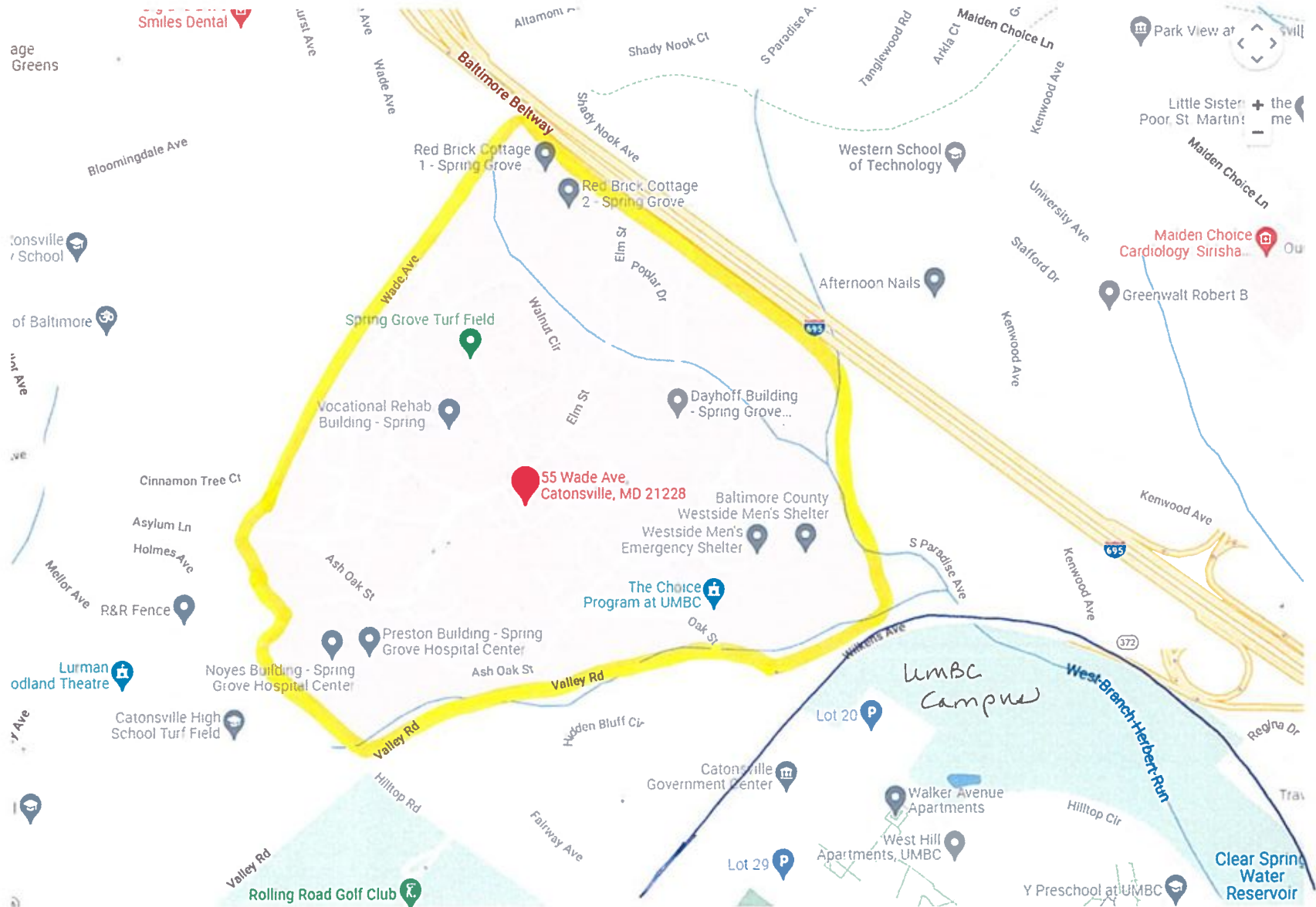
The Spring Grove (SG) property consists of 189+/- acres with 72 buildings which excludes the parcel purchased by Baltimore County in 2013 for a regional recreational park. Baltimore County also has a long-term lease for a homeless shelter on the site that includes a new building constructed by the county. The Maryland Psychiatric Research Center (MPRC) is also located on the property in a standalone building under a lease agreement with MDH. MPRC is part of the University of Maryland, Baltimore.

**Transaction:**

The transaction consists of (a) the transfer of the SG property from MDH to USM for the benefit and use of UMBC and (b) a lease agreement between MDH and UMBC for SGHC to continue to occupy and operate the property until SGHC operations are transitioned in accordance with MDH's Facilities Master Plan (FMP) dated 2September21. MDH's FMP indicates that SGHC is in Phase 3 of their plan (FY2032-2041) (see link [MDH Facilities Master Plan 2021.09.02 .pdf \(maryland.gov\)](#)). There is work that UMBC would plan to do concurrent with SGHC's continued occupancy such as site utilities, stream restoration, stormwater management and hazardous material abatement (asbestos and lead paint in buildings not occupied) if capital funding is available.

### Spring Grove Hospital Center









## BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

**TOPIC:** University of Maryland, College Park: Contract Extension for Just-in-Time Non-Food Paper Products for Dining Services

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The University of Maryland, College Park's current contract for just-in-time non-food paper products with ACME Paper & Supply Company (ACME) for Dining Services has been in place since 2012. The term for this contract and all renewal options expires on June 30, 2022. The University is seeking approval to extend the term from June 30, 2022 to June 30, 2024.

Due to the volatility of food and non-food production markets at this time, caused by the continued impacts of the COVID-19 pandemic and world-wide supply chain issues, Dining Services and Procurement and Business Services has determined that it is best to continue the contract for an additional two years.

Extending the current contract, under existing terms and conditions and pricing, better serves the interests of the University and its students and families, rather than conducting a competitive solicitation during volatile market conditions for both fuel and paper-based products. It is in the best interest of the University to extend the current contracts until market conditions stabilize. The paper product industry has been impacted by increased demand from e-Commerce for corrugated cardboard coupled with consolidation and closing of paper mills contributing to inflated costs of raw materials. The two-year extension will allow time for market stabilization and for the 9–12-month solicitation, award, and transition process to occur.

The University's contract with ACME includes a 4.0% product mark-up for supplying non-food, paper-based dining products. This mark-up, considered as fair and reasonable in 2012, remains fair and reasonable in light of current market conditions.

Market condition indicators evaluated in requesting approval for this contract extension include:

- Flexible Packaging publication, April 6, 2022 indicates corrugated cardboard has seen 5 price increases since the onset of COVID-19 including a recent 14% increase. This publication also notes energy costs for paper packaging are expected to increase by 3.4%.
- The Packer publication indicates the recent 14% increase is the first for 2022 and users of paper packaging supplies should expect 2 more increases in 2022 largely due to increased costs in raw materials.
- The Consumer Price Index for gasoline and motor fuel shows a spike of 18.3% for March, 2022, and 48.3% increase for the prior 12-month period. This is significant when considering a product distribution contract.
- Per the US Energy Administration gasoline prices are expected to drop in 2023 though not to former 2020/2021 levels. (see attachment 1)

Based on the above information, coupled with well-publicized supply chain issues worldwide, extending this contract through September, 2024 allows time for impacted markets to stabilize at lower price points to conduct the solicitation, issue awards, and conduct contract conversion. Given current and predicted fuel costs and rise in corrugated cardboard production, extending the current contract will help the University mitigate the impact of market conditions.

For the reasons stated above, engaging in a competitive solicitation process, potentially changing prime suppliers, during a time when market conditions are less than optimal makes a contract extension the most practical option.

The products supplied by ACME are typically bid under a single solicitation with food products. Given food pricing volatility, continued rising transportation and fuel costs, and rises in paper production costs, it is in the best interest of the University to extend the current contract and conduct a competitive solicitation as markets stabilize. Starting the new contract in July 2024 is most practical, as there will be the lowest volume of students on campus and ideal time to transition to a new supplier, if required.

This request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures, Section VIII.3.10 for procurements exceeding \$5 million.

**CONTRACTOR:** ACME Paper & Supply Company  
CEO: Ronald Attman

**ALTERNATIVE(S):** The University could resolicit the contract for a start date of September 10, 2022, however they would risk paying inflated pricing due to market conditions with a sub-optimal product offering, and potential loss of preferred allocation status with a new supplier.

**FISCAL IMPACT:** Estimated spend for the extension period is an additional \$3.1 million for a total contract value of \$11.4 million.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the extension of the current contract with ACME Paper & Supply Company through June 30, 2024.

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COMMITTEE RECOMMENDATION: \_\_\_\_\_ DATE: \_\_\_\_\_

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BOARD ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

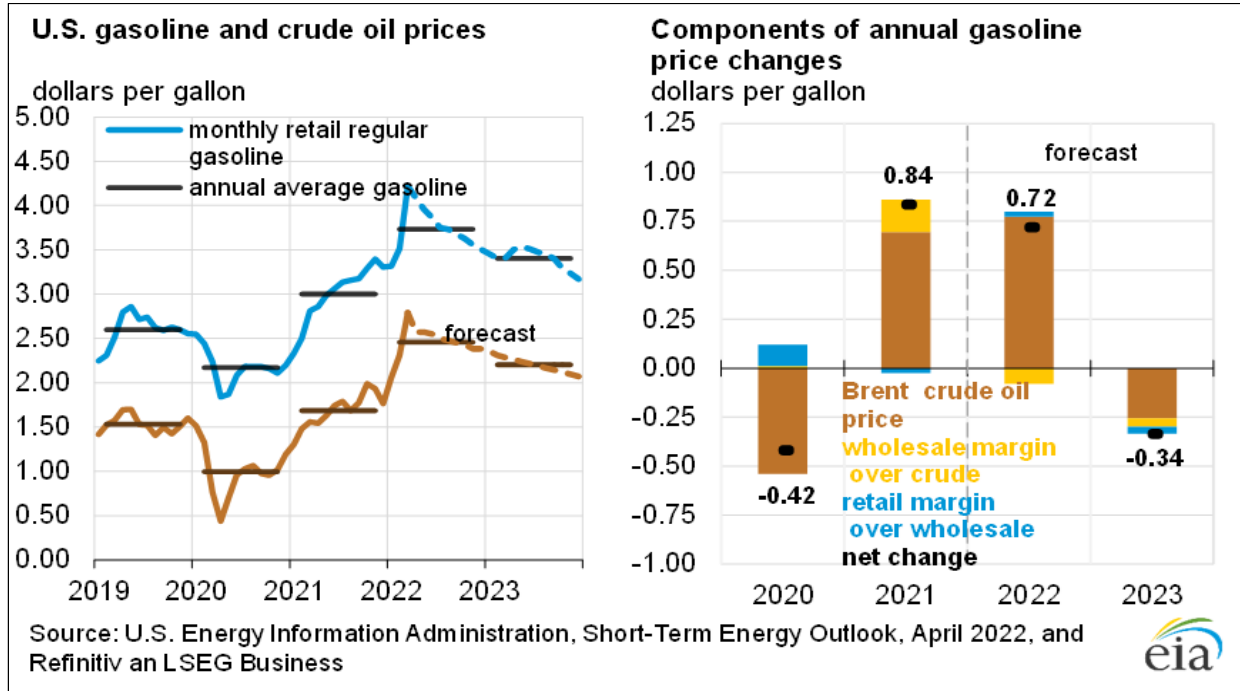
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SUBMITTED BY: Ellen Herbst (301) 445-1923

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Attachment 1

US Energy Administration US Gasoline Outlook





**TOPIC:** University of Maryland, College Park: Contract Extension for Just-in-Time Food Products, Chemical Products, and Non-Food Products for Dining Services

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The University of Maryland, College Park's current contract for just-in-time food products, chemical products, and non-food products with US Foodservice (US Foods) for Dining Services has been in place since 2012. This contract was awarded through a competitive procurement. The term for this contract (and all renewal options) expires on September 10, 2022. The University is seeking approval to extend the term from September 10, 2022 to June 30, 2024.

Due to the volatility of food and non-food production markets at this time, caused by the continued impacts of the COVID-19 pandemic and world-wide supply chain issues, Dining Services and Procurement and Business Services has determined that it is best to continue the contract for an additional twenty-one months. Extending the current contract, under existing terms and conditions and pricing, better serves the interests of the University and its students and families, rather than conducting a competitive solicitation during volatile market conditions.

The University's agreement with US Foods is a distribution contract which includes a 4.9% (cost plus) for distribution of food and related products over the cost of the Premier Group Purchasing Organization (Premier) contracts. Using the US Foods distribution contract, 62% of Dining Services food products are acquired through Premier contracts as well as other available manufacturer agreements. Throughout the past 12-18 months Dining Services has experienced some product shortages, though the University has been treated as a priority customer by US Foods thus reducing the impact of shortages.

Market condition indicators evaluated in requesting approval for this contract extension include:

- The Consumer Price Index for food products for the month ending March, 2022 reflects an 8.8% increase for the prior 12-month period. All measured food group indexes increased through March, 2022. (see attachment, Chart # 1)
- Trading Economics publication has forecasted food price increases returning to lower levels by July, 2023 which is likely the best time to conduct a competitive solicitation. (see attachment, Chart #2)
- The Consumer Price Index for gasoline and motor fuel shows a spike of 18.3% for March, 2022, and 48.3% increase for the prior 12-month period. This is significant when considering a product distribution contract.
- Per the US Energy Information Administration, gasoline prices are expected to drop in 2023 though not to former 2020/2021 levels. (see attachment, Chart # 3)

Based on the above indexes and forecasting, coupled with well-publicized supply chain issues worldwide, extending the contract through June, 2024 allows time for impacted markets to stabilize at lower price points and to conduct a solicitation, issue awards, and conduct contract conversion as needed. Given

current and predicted fuel and food costs and food product shortages, extending the current contract will help the University mitigate the impact of market conditions.

Additional considerations for extending the current contract include reduced product offerings from manufacturers limiting options for allergen free, vegetarian, and vegan products. Many manufacturers and their distributors are not accepting new customers and are primarily allocating product deliveries to 2020 levels for existing customers. These issues presented the University with a number of challenges throughout the 2021-2022 academic calendar years as 2020 levels are roughly 30% of the product required to serve students with dining plans. The University expects these challenges would be compounded by making a change at the present time.

For the reasons stated above, engaging in a competitive solicitation process, potentially changing prime suppliers, and market conditions that are less than optimal makes a contract extension the most practical option for the University. The war in the Ukraine adds additional levels of uncertainty, given the Ukraine’s contribution to worldwide food markets.

The University anticipates that by July 2023 the industry will level out from the effects of the pandemic and Ukraine/Russia conflict and that suppliers will be producing at 2019 levels. This will be better timing to engage in a solicitation. An extension through June 30, 2024 allows time to conduct a full solicitation, approval, award, and conversion process. In addition, starting the new contract in July 2024 is most practical, as there will be the lowest volume of students on campus making it an ideal time to transition to a new supplier if required.

This request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures, Section VIII.3.10 for procurements exceeding \$5 million.

**CONTRACTOR:** US Foodservice/US Foods  
CEO: Andrew Iacobucci (interim)

**ALTERNATIVE(S):** The University could resolicit the contract for a start date of September 10, 2022, however it would risk paying inflated pricing due to market conditions with sub-optimal product availability, and potential loss of preferred allocation status with a new supplier.

**FISCAL IMPACT:** Estimated spend for the extended time period is \$15 million.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the extension of the current contract with US Foodservice through June 30, 2024.

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COMMITTEE RECOMMENDATION: \_\_\_\_\_ DATE: \_\_\_\_\_

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BOARD ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

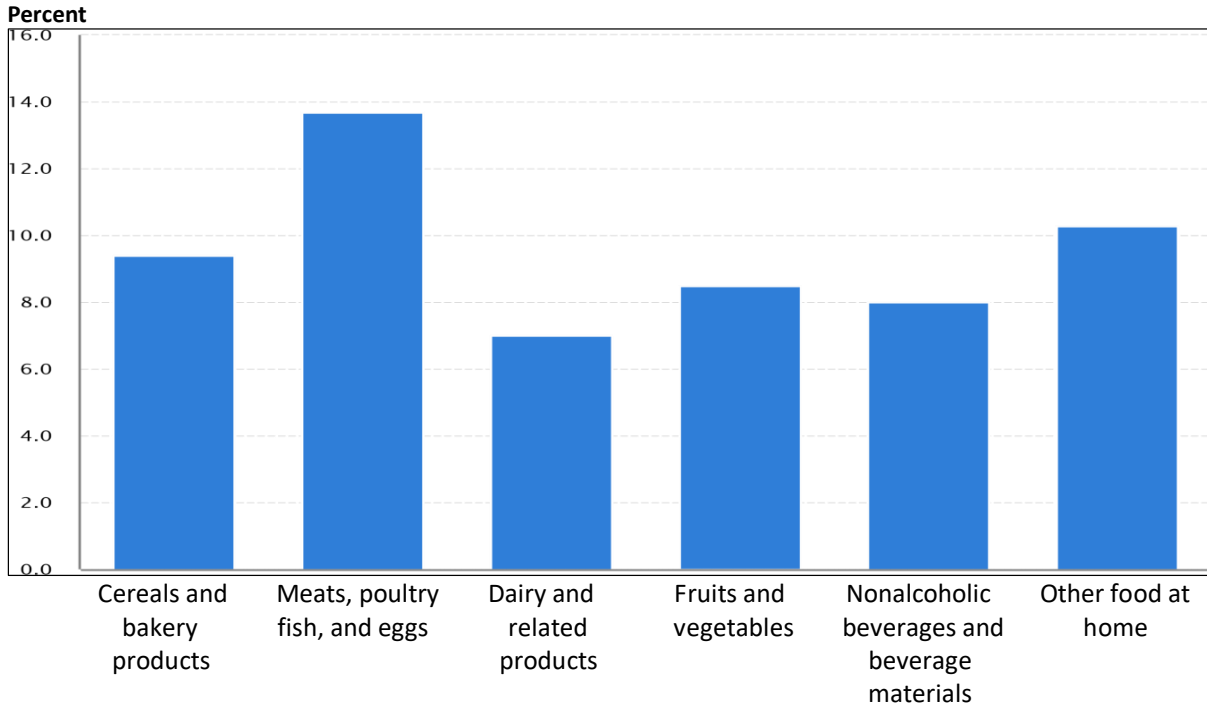
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SUBMITTED BY: Ellen Herbst (301) 445-1923

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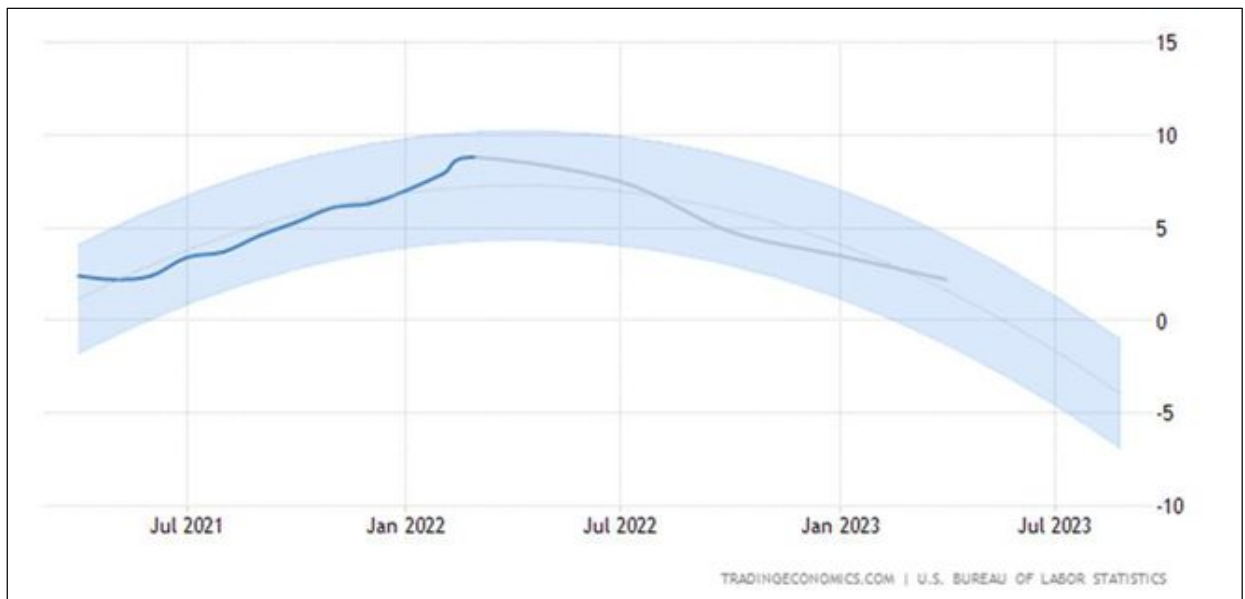
**Attachment**

Chart #1, 12-month percentage change, Consumer Price Index, selected categories, March 2022, not seasonally adjusted



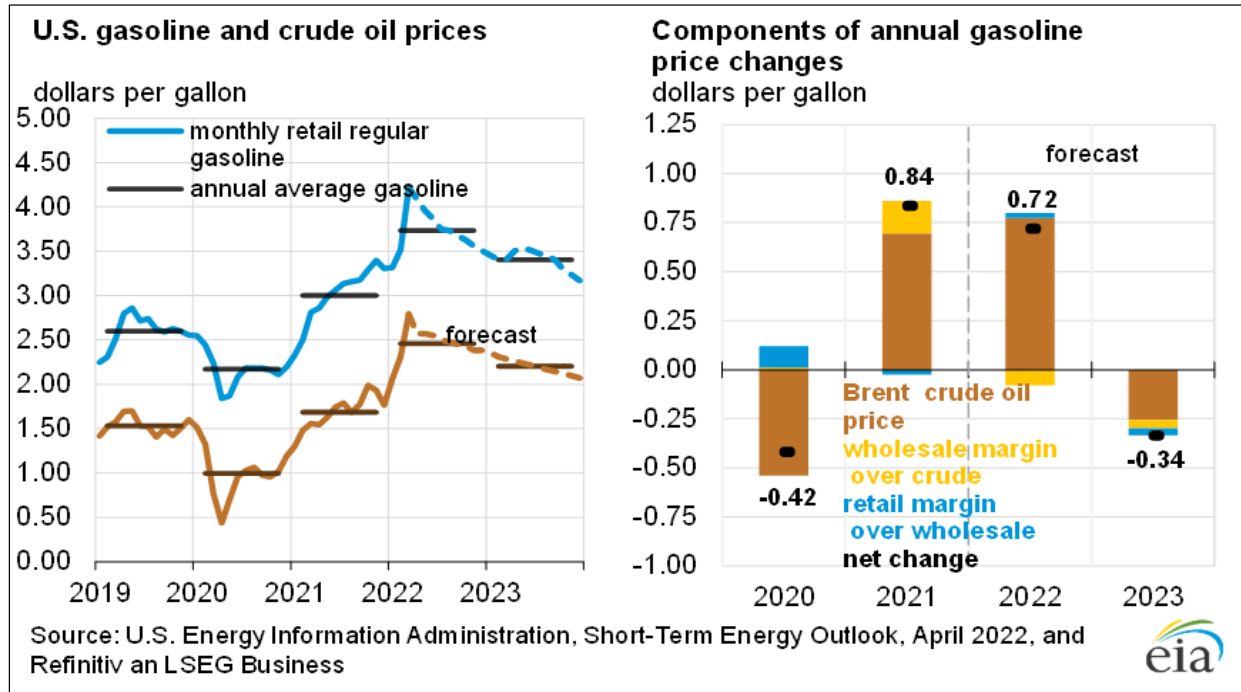
Source: U.S. Bureau of Labor Statistics

Chart #2, Trading Economics, April 2022 data for United States Food Inflation



UMCP DINING FOOD AND OTHER PRODUCTS CONTRACT

Chart #3, US Energy Information Administration US Gasoline Outlook





**TOPIC:** University of Maryland, College Park: Contract Extension for Cloud-based Infrastructure, Storage, Server Access, Application Access, and Website Hosting

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The University of Maryland, College Park Division of Information Technology (DIT) requires a long-term agreement for cloud-based infrastructure, storage, expanded server access, and application and website hosting through a cloud-based infrastructure provider. In order to meet increasing demands for server capacity, storage, application and website hosting, the University seeks to extend an Amazon Web Services (AWS) enterprise pricing agreement for five years.

Since 2015, the University has contracted with AWS as a preferred provider for cloud-infrastructure under an Enterprise Customer Agreement. In July 2021, the University moved from a reseller-based structure for AWS cloud-based infrastructure to a direct contract with AWS on a sole source basis.

Conversion from a reseller arrangement provided DIT with:

- 1) access to master accounts to directly manage the University's activities with AWS
- 2) improved responsiveness related to AWS activities
- 3) a dedicated support/maintenance team with 24/7 support with a 15-minute response time when critical business applications are down
- 4) improved ability to centrally manage and control costs associated with the use of AWS across the institution

The discount structure of 5% remained the same as previously experienced with the reseller. The agreement was entered into for an initial year allowing the University to experience the benefits of the direct arrangement before proceeding with a long-term contract for a primary provider of cloud-based infrastructure.

DIT runs numerous mission critical applications in the AWS environment including, but not limited, to the production application that supports Testudo, CAS common login, COVID return to work; business intelligence applications such as reports.umd.edu, Tableau, SAS, Informatica, Denodo, and Datalakes; teg University's budgeting solution; a host of common off the shelf solutions; static and dynamic websites such as umd.edu, President.umd.edu, etc. The past year provided DIT the ability to test expanded use of the AWS platform under a new arrangement and resulted in reduced staff time spent seeking ways to better manage University/AWS activities when compared to the prior contractual arrangement.

Extending the AWS agreement for an additional five years will provide the University with long-range stability in supporting the institution's computing and data management needs, with an industry leader. The extension includes an improved discount structure of 11% for the remaining contract years. AWS will be a primary cloud-based infrastructure platform meeting DIT's infrastructure and security needs, though DIT also uses Microsoft Azure and Google Cloud Platform on a more limited basis.



This procurement does not require BPW approval as it is for access to cloud infrastructure, servers, storage and applications—treated as Software as a Service. The referenced support is provided as part of the Enterprise Discount Program and the agreement excludes contract services that would require BPW approval.

**CONTRACTOR:** Amazon Web Services  
CEO: Adam Selipsky

**ALTERNATIVE(S):** 1) Competitively solicit web-based infrastructure needs. While considered, it was determined this would put the University at significant risk with regard to meeting mission critical computing, data storage, and IT security needs of the colleges, campus departments, research community, and students. 2) Create a data center to provide server management for University applications. This alternative is impractical in the current environment. It requires physical infrastructure for a data center, investment in additional data security software and physical security systems, and substantial staffing to manage the computing resources that would be housed in a data center, not to mention the need for redundancy for enterprise risk management protection. The costs of investment in the required resources to self-perform the functions of AWS is substantially higher than the estimated value of the AWS agreement.

**FISCAL IMPACT:** The estimated total for the five-year extension period is \$19.9 million on an enterprise basis.

**CHANCELLOR’S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the extension of the current contract with Amazon Web Services through July 31, 2027.

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COMMITTEE RECOMMENDATION:	DATE:
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BOARD ACTION:	DATE:
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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**BOARD OF REGENTS**SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

**TOPIC:** University of Maryland, College Park: Subdivision by Deed

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The University intends to subdivide Lot 4, University-owned land, into northern and southern parcels, and then deed the subdivided parcels back to itself for the reasons explained below. This item is presented for information purposes.

The Prince George's County Planning Board and County Council (sitting as the District Council) are currently reviewing public comment associated with an on-going Adelphi Road–UMGC–UMD Purple Line Station Area Sector Plan (the "Sector Plan"). The Sector Plan will be the comprehensive community plan for a new neighborhood surrounding the new Purple Line station.

The Sector Plan looks at a total area of 102 acres, some of which is land owned by the University of Maryland, College Park. One University-owned parcel, a 9.5-acre tract on the southern boundary of the Sector Plan area, is identified as Lot 4 in the "Mosaic at Turtle Creek" subdivision plat. The parcel is recorded in the land records of Prince George's County at Plat Book PM231, page 17 ("Lot 4").

The southern half of Lot 4 is either in the 100-year flood plain easement or in areas the County designates as the "regulated area" of its Green Infrastructure Network, where existing environmental conditions dictate there should be minimal-to-no development impact.

The University plans to subdivide Lot 4 into northern and southern parcels, and to deed the subdivided parcels of Lot 4 back to itself. The University recommended to County Planning Board staff and to the Planning Board and District Council that the southern 3.4649 acre parcel be zoned as "park and open space," a designation more appropriate to this southern parcel on account of the environmental sensitivities described above.

Currently, all of Lot 4 is zoned R-10, a zoning category that supports high density multifamily residential. The subdivision by deed is sought only to address the County's concern about "split zoning," that is, assigning multiple zoning categories to a single parcel of property.

In response to the University's recommendation, the Planning Board voted to amend the sector plan to include the following land use policy:

"Encourage the University of Maryland to subdivide the parcel at 7500 Mowatt Lane to facilitate conservation of the southern portion of that property. Any new parcel or lot abutting Guilford Run created by such a subdivision should be reclassified to the Reserved Open Space (ROS) Zone."

In June, 2022, the District Council will vote to approve the Sector Plan (with amendments) and make a decision if an additional Joint Public Hearing is required.

A general location map of the southern parcel of Lot 4 is attached.

UMCP SUBDIVISION BY DEED

The University does not seek approval to convey any portion of Lot 4 to any third party.

Of note, Lot 4 was part of the property in the “Western Gateway” transaction intended to deliver below-market rent graduate student housing, previously approved by the Board of Regents on September 18, 2020. On October 28, 2021, the University announced it was pausing that project to allow more time to address environmental concerns raised by the community and to study alternative locations for graduate student housing.

After subdivision by deed, the University will continue to own both the north and the south portions of Lot 4. The University has no foreseeable development plans for any institution-owned property within the boundaries of the Sector Plan.

The subdivision by deed will not require the approval of the Maryland Board of Public Works.

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

**FISCAL IMPACT**: This is an information item.

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

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COMMITTEE RECOMMENDATION:

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BOARD ACTION:

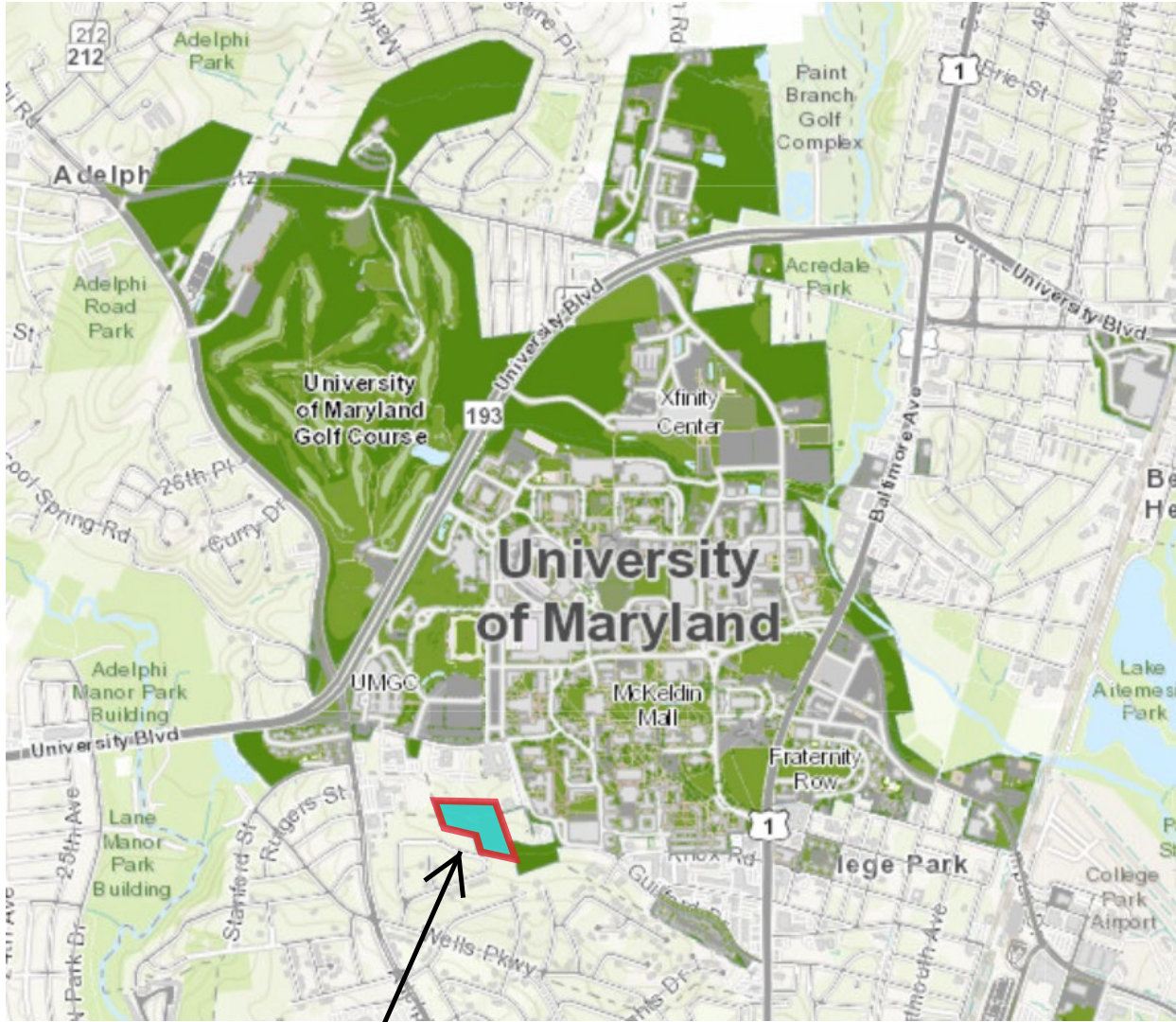
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SUBMITTED BY: Ellen Herbst (301) 445-1923

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## Property General Location Map



**Property Location**



**TOPIC:** USM Early Capital Pilot: Fund Balance Allocation and Investment

**COMMITTEE:** Finance Committee

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** The USM seeks to invest up to \$600,000 over 3 years in the USM Early Capital Pilot. A USM Early Capital Pilot would enable relatively small amounts of capital (under \$75,000) to be deployed to USM-affiliated entrepreneurs and ventures in order to demonstrate the generation of economic development activity.

By way of background, last fall the Economic Development and Technology Commercialization Committee (EDTC) encouraged the leadership and staff to explore how to: 1) support entrepreneurial success, earlier than the Momentum Fund; and 2) equitably support a diversity of entrepreneurs and ventures broadly across USM.

The USM Office of Economic Development facilitated discussion and outreach to more than 100 internal and external stakeholders. At its April meeting, the EDTC Committee reviewed the findings, which included overarching recommendations to: 1) work collaboratively with non-USM partners; and 2) leverage existing resources, when possible, instead of creating new ones. A specific recommendation was to enable flexible, non-prescriptive early capital to be deployed alongside resources and accountability, and a potential pilot design was presented.

This recommendation is to provide an allocation of up to \$200,000 per year, over 3 years, from the USM fund balance for a pilot. The capital would be deployed to USM-affiliated entrepreneurs and ventures to equitably support a diversity of entrepreneurs and ventures broadly across USM toward the ultimate goal of economic development. A minimum of \$100,000 in matching funding must be secured in order for USM's first year of fund balance contribution to be accessed. The overall goal is at least a 1:1 match of external to USM fund balance allocation.

In April, the Board of Regents voted to authorize the investment of up to an additional \$6 million (over 3 years) in the USM Momentum Fund from USM Office unrestricted fund balances. Any funding dedicated toward the USM Early Capital Pilot would be offset by a reduction to the Momentum Fund allocation, such that the overall total allotment does not exceed \$2 million per year.

This item will also be presented to the Economic Development and Technology Commercialization Committee on June 9 for its consideration and action.

**ALTERNATIVE(S):** The Finance Committee could elect to not recommend an allocation for this initiative or request a smaller allocation.

**FISCAL IMPACT:** The USM would invest up to \$600,000 over 3 years in the USM Early Capital Pilot. The fund source is USM Office unrestricted fund balances.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve this proposal to allocate up to \$600,000 over 3 years in the USM Early Capital Pilot, as described above.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**BOARD OF REGENTS**SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

**TOPIC:** Amendment of FY 2022 Annual Contract and Approval of FY 2023 Annual Contract between the University of Maryland, Baltimore and the University of Maryland Medical System Corporation

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**SUMMARY:** 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 for form and legal sufficiency.

The Board is asked to approve an amendment of the Annual Contract for FY 2022, deleting one section of the Annual Contract as agreed between the parties. The amendment defers for FY 2022 the adoption of performance metrics for School of Medicine (SOM) faculty performance.

The Board also is asked to approve the Annual Contract for FY 2023, which incorporates the financial information for FY 2023 reflected in the attached schedule of payments of UMMS and UMB to one another in Fiscal Years 2021, 2022 and 2023. For FY 2023, UMMC, as a result of its financial situation, has reduced support for UMB administrative services. UMMC has requested to discontinue support for campus security officer services. Also, UMMC has elected not to support in full costs incurred by UMB for COLA and merit salary increments for personnel who provide some administrative services and faculty services. As a result, the parties have negotiated some service reductions to maintain alignment between UMB costs and UMMC payments. The FY 2023 contract includes new provisions concerning development of performance metrics for evaluation of SOM faculty services, improved timelines for calculating and paying UMMC costs incurred in clinical research at UMMC facilities, and statements concerning UMMC and UMB performance expectations for faculty of the Medicine, Dental and Pharmacy schools who are fulfilling leadership roles in UMMC professional staff activities.

The majority of faculty services reflected in the contract are provided at UMMC facilities at the UMB campus. The contract also includes compensation for SOM faculty services at the Midtown campus, a few blocks north of UMB. Midtown is operationally part of UMMC although legally separate from UMMC.

In addition to compensation for faculty services, the SOM will benefit from approximately \$5.7 million from UMMS in mission support. The mission support is referenced in Article XII and Schedule 7 of the Annual Contract for FY 2023. The mission support payment is set by UMMS after considering SOM recommendations and is expected to vary from year to year. In FY 2023, the mission support is pre-committed to UMMS and UMMC expenses related to academic initiatives. The expenses were previously incurred at the SOM's request. Schedule 7 of the Annual Contract describes support

initiatives for FY 2023. Mission support will be credited to appropriate UMMS and UMMC accounts, and will not be paid to the SOM. As a result of the UMMS retention of mission support, it is presented as zero dollars in the attached schedule of funds to be paid to UMB.

**ALTERNATIVE(S)**: An Annual Contract for FY 2023 incorporating the information in the attached schedule is recommended by the President of UMB, the Dean of the SOM, 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 amendment of the FY 2022 Annual Contract has no fiscal impact. The fiscal impact of the FY 2023 Annual Contract is as specified in the attached schedule of payments. Subject to adjustments as discussed in the text of the FY 2023 Annual Contract, it results in a net fund transfer from UMMS to UMB of approximately \$170,195,819 in FY 2023.

**CHANCELLOR'S RECOMMENDATION**: That the Finance Committee recommend the Board of Regents authorize the President of UMB to execute the amendment of the FY 2022 Annual Contract and to execute the FY 2023 Annual Contract.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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SCHEDULE TO AGENDA ITEM

PAYMENTS UNDER  
 FY 2021, FY 2022, and FY 2023 ANNUAL CONTRACTS  
 BETWEEN UMB AND UMMS

<u>Payments to UMB</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY 2023</u>
Administrative Services	\$2,578,473	\$2,552,417	\$1,846,794
Faculty Services:			
School of Medicine (including Trauma)	\$155,036,448	\$166,480,747 <sup>1</sup>	\$172,140,000
School of Pharmacy	\$1,673,899	\$ 1,592,807	\$1,535,824
School of Dentistry	\$588,583	\$600,629	\$609,038
Mission Support for SOM	<u>N/A</u>	<u>\$3,100,000</u>	<u>\$0</u>
<u>Payments to UMMS</u>			
Space Charge	(\$1,157,304)	(\$1,157,304)	(\$1,157,304)
Fringe Benefit Adjustment <sup>2</sup>	<u>(\$4,529,735)</u>	<u>(\$4,778,533)</u>	<u>(\$4,778,533)</u>
NET TO UMB	\$154,190,364	\$168,390,763	\$170,195,819

<sup>1</sup> For Fiscal Year 2023, \$38,485,259 of this SOM support is designated as seed support. Continuation of that seed support in FY 2024 and later years is subject to annual negotiation. The SOM support does not include additional funds UMMS expects to provide to support salaries of physicians who are recruited during Fiscal Year 2023 to new positions supported by UMMS.

<sup>2</sup> The SOM payments for faculty services are calculated using the standard UMB faculty fringe benefit rate. The effective fringe benefit rate for SOM faculty is lower than the campus standard or average rate. SOM will adjust the fringe benefit payment to UMMS to obtain a UMMS payment closer to actual cost than would result if the full fringe benefit rate were charged. For FY 2023, the adjustment is \$4,778,533.

FIRST AMENDMENT TO MEDICAL SYSTEM AGREEMENT

FOR FISCAL YEAR 2022

EFFECTIVE JULY 1, 2021

WHEREAS, the signatories are parties to the Medical System Agreement known as the “Annual Contract” applicable to the fiscal year beginning July 1, 2021 and ending June 30, 2022;

WHEREAS, as part of the Annual Contract, the University of Maryland Medical Center pays the University of Maryland School of Medicine (“SOM”) certain amounts in support of the clinical services the SOM faculty provides as the UMMC Medical Staff;

WHEREAS, the parties agreed to enter into a performance program providing for a portion of those amounts to be available as an incentive to the SOM for faculty performance exceeding certain performance measures and providing for certain amounts to be withheld if faculty performance did not meet certain performance expectations. The performance measures are intended to evaluate the SOM faculty’s efficiency, quality, safety and customer and patient experience.

WHEREAS, the parties have agreed that the current performance program metrics do not accurately measure the above areas as originally intended by the programs and refinement of the metrics is needed to achieve the program’s goals.

WHEREAS, the parties desire to suspend the performance program for FY 2022 and to collaboratively review data and develop improved metrics that will more accurately assess the designated areas of performance in a manner that furthers the parties’ aligned goal for improved outcomes and operations within UMMC.

NOWHEREFORE, the parties agree as follows:

1. Terms used in this First Amendment that are defined in the Annual Contract shall have the meanings provided in the Annual Contract.

2. Amendment to Article IV.

Article IV is amended by the deletion of Section IV.A.10, effective July 1, 2021.

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  
President and 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

Deleted by Amendment of FY22 Contract

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

(00158060-7)

2022 Annual Contract

June 17, 2021

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FY 23 WORKING DRAFT as of 5.27.2022

**ANNUAL CONTRACT  
FOR FISCAL YEAR ENDING JUNE 30, 2023**

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**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            UMB OF MARYLAND MEDICAL SYSTEM CORPORATION SUBSIDIARIES
  
- SCHEDULE 7            MISSION SUPPORT AGREEMENT

**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)

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**ANNUAL CONTRACT  
FOR FISCAL YEAR ENDING JUNE 30, 2023**

This Agreement is made as of July 1, 2022, 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 Maryland law) on July 1, 1984.

**RECITALS**

University of Maryland, Baltimore (“UMB”), a public university that is part of the University System of Maryland (“University” or “USM”), includes accredited Schools of Medicine, Pharmacy, Law, Dentistry, Nursing, and Social Work and a Graduate School (“Schools”). University of Maryland Medical Center, LLC is a direct subsidiary of the University of Maryland Medical System Corporation. UMMC was formed in accordance with Maryland law to operate the University of Maryland Medical Center, the part of the University of Maryland Medical System Corporation that provides patient care services at facilities formerly part of the University of Maryland, Baltimore.

As mandated by Maryland law at Title 13 Subtitle 3 of the Education article, UMMC’s Medical Staff is comprised solely of School of Medicine and other UMB faculty members. Physician members of UMMC’s clinical services (“UMMC Clinical Service”) are faculty members within the parallel School of Medicine clinical science departments (“SOM Departments”). For example, UMMC Medical Staff appointed to the UMMC Medical Service are faculty members within the SOM Department of Medicine.

USM, UMB the Medical System Corporation and UMMC 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 UMMC.

This Agreement is intended by the parties to be the annual contract mandated by Section 13-306 of the Medical System Law (as defined below) for fiscal year 2023. Toward this end, and in consideration of the mutual covenants and agreements set forth in this Agreement, USM, UMB, the Medical System Corporation and the University of Maryland Medical Center, LLC agree to the terms set forth below.

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**TERMS**

**ARTICLE I. DEFINITIONS**

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

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

B. "2023 Agreement" means this Annual Contract between the parties for the fiscal year ending June 30, 2023.

C. "Annual Contract" means this 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 UMMS for the ensuing fiscal year, and identifying the services to be provided and the agreed cost of such services. Further, because Medical Center, LLC operates UMMC, as permitted by Medical System Law, the financial relationships between USM, inclusive of UMB as well as the Schools, and Medical Center, LLC are also included.

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 Medical Center, LLC and UMMC.

G. "Chancellor" means the Chancellor of USM.

H. "Fiscal Year" means the Fiscal Year ending June 30, 2023.

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



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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 serving as Chief Executive Officer of the Medical System Corporation.

L. "Medical System Corporation" or "UMMS" 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, earlier if agreed by the parties, or later if necessary, 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 a licensed hospital operationally integrated with UMMC. Midtown is known as the "UMMC Midtown Campus".

Q. "President" means the President of UMB.

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.

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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 hospital owned by the Medical System Corporation and operated through Medical Center, LLC at or adjacent to the UMB campus, including the health care delivery components of the previously State-owned University Hospital, the Greenebaum Comprehensive Cancer Center (the current name of the University Cancer Center referred to in the Medical System Law) and the R. Adams Cowley 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. "UMB" means the University of Maryland, Baltimore.

BB. "USM" means the University System of Maryland.

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## ARTICLE II. COOPERATION IN ACADEMIC PROGRAMS

**A. General Agreement to Cooperate in UMB Academic Programs and UMMC Graduate Medical Education Programs.** Consistent with their educational missions, UMB and UMMC will cooperate in the planning and administration of UMB’s health professions academic programs which take place at both UMB and UMMC, including both clinical education and clinical research, and the graduate medical education programs sponsored by UMMC, such as residencies and fellowships, collectively referred to herein as “Academic Programs.” Pursuant to UMB’s and UMMC’s agreement, Academic Programs at UMMC may be co-located, relocated or extended to Midtown.

**B. Affiliation Agreements between UMB Schools and UMMC.** Existing affiliations between UMMS and/or UMMC and the Schools for the conduct of Academic Programs, at UMMC, of the Schools will be continued under the direction of the CEO/UMMC, the President, and the deans of the respective UMB Schools. Affiliation agreements between UMMC and UMB Schools may be developed by UMMC and UMB as required for accreditation of the UMB Schools' degree programs or UMMC's graduate medical education programs. Affiliation agreements will be modified as appropriate to reflect an Academic Program’s co-location, relocation or extension to Midtown.

**C. Affiliations between Schools and non-UMMC Institutions.** UMB will ensure affiliations between UMB Schools and health care institutions other than UMMC do not detract from the operation of Academic Programs of UMB at UMMC, inclusive of graduate medical education programs.

**D. Accreditation and Compliance Considerations.** All actions of the parties with respect to Academic Programs and related affiliations of the parties shall be consistent with applicable accreditation requirements for UMMC’s and Midtown’s facilities, UMB Academic Programs, and UMMC’s and Midtown’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, and policies concerning consensual relationships. More specifically, each party agrees to notify the other promptly upon becoming aware of any allegation of sexual harassment, sexual misconduct or discrimination 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 or Midtown, 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, but who are credentialed or contracted

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by UMMC or Midtown to provide services at UMMC or Midtown, as applicable. Each party agrees to cooperate with the other regarding investigations of possible sexual harassment, sexual misconduct or discrimination 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, sexual harassment or discrimination, 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. Additions of and Changes to Academic Programs.** Information related to additions or changes in UMB's Academic Programs or UMMC's or Midtown's patient care activities which would impact such Academic Program and may affect the budget or operations of the other party shall be provided in advance of the planned changes, but no less than six (6) months prior to the planned change and in sufficient time for UMMC to evaluate the current need, relevance and anticipated duration and to account for any changes in funding within UMMC's annual budget and operational structure.

On an annual basis, each Academic Program funded in full or in part by UMMC will be evaluated by UMMC as to its current need, relevance and anticipated duration. Based on the outcome of that evaluation, UMMC will determine whether modifications to its funding or operational support of the Academic Program in the upcoming fiscal year is necessary and will provide no less than six (6) months' notice of modification of funding or operational support to the affected UMB School.

After the President and the CEO/UMMC, or their designees, have discussed any changes to Academic Programs and patient care services and UMB has obtained any requisite approvals from UMMC, as referenced in this Section E, planning for the implementation of the approved changes or programs will be coordinated by appropriate UMB and UMMC personnel, as specified by the President and the CEO/UMMC.

**F. Clinical Research and Innovation Conducted/Created at UMMC.** Should UMB require use of UMMC or Midtown resources including, without limitation, facilities, staff, equipment, supplies, IT support, funding or other support in connection with a clinical research project, UMB, or the appropriate UMB School, should submit a request to the CEO or designee (e.g., Chief Medical Officer, Chief Clinical Officer or such officer's designee) for approval. For purposes of this section, clinical research is understood to mean all types of research, trials or studies, whether industry-sponsored or principal investigator-initiated.

UMB or the School shall submit the request in a timely manner so that UMMC may evaluate the operational and financial implications of the proposed clinical research, and confirm

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that services required for the research may be provided by UMMC or Midtown. To the extent any such support includes UMMC or Midtown's provision of employees, UMMC or Midtown may determine to document such as Jointly Supported Employees pursuant to ARTICLE VI. UMMC will act in good faith to complete its approval process in a timely manner so as to avoid delay of the UMB approval processes.

During the Fiscal Year, UMMC and UMB agree to assess the current processes for initiating, managing and approving clinical research conducted at UMMC and Midtown with the goal of creating a mutually agreed upon process that ensures the interests of UMB, UMMC and Midtown are appropriately represented and that each party has sufficient information regarding the clinical research project to appropriately commit, contribute and receive appropriate value for its respective roles within and support of the research.

UMMC and UMB will maintain appropriate business processes to guide the accurate billing of services delivered in conjunction with clinical research protocols by the appropriate party.

Invoices and any other requests for payment for research related services submitted by UMMC to UMB for payment by UMB to UMMC shall be reconciled and processed within 45 days from receipt of the invoice or request, provided that sufficient support is included with the invoice or request, the reconciliation is acceptable to UMB, and UMB has received the sponsor's funding.

UMMC recognizes the use of UMMC resources for innovation and the creation of intellectual property is a matter separate from clinical research and that ownership rights in such intellectual property are governed by UMMC, USM and UMB policy, the parties' Technology Management Agreement, as well as federal law. During the Fiscal Year, UMMC and UMB agree to assess their respective current policies (including relevant USM policies) and agreements and evaluate them for consistency with regard to ownership of, or income sharing related to, intellectual property created by UMMC and/or UMB inventors, and/or with UMMC and/or UMB resources.

**G. UMB Professional Liability Insurance – Research and Educational Programs.** Annually, UMB will provide to UMMC information about any professional liability insurance acquired by UMB, or provided by the State of Maryland, to provide coverage for UMB students and/or faculty that would be applicable to incidents arising from educational or research activities conducted by them at UMMC or Midtown.

**H. UMB Obligations Related to Students.** Prior to assigning students to UMMC for an educational clinical experience, as part of the Academic Programs, UMB will provide those students with training, orientation, and immunizations as required by UMMC and/or Midtown, for health care workers, as applicable, and will require students to present evidence of personal health insurance. In the event UMMC and/or Midtown, as applicable, believes that UMB is not providing

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the required training, orientation and immunizations in a timely manner, UMMC may choose to provide the services to the students and will charge the relevant UMB School for the actual cost of the services, or in the alternative deny the students' participation until the students are compliant with the requirements. The current requirements of UMMC and Midtown are listed in *Exhibit A*.

**I. Student Exposure Matters.** If a UMB student is exposed to body fluids as defined in Section 18-338.1 Health-General Article, Annotated Code of Maryland, ("Section 18-338.1") 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 Section 18-338.1. Applicable policies of UMMC or Midtown, as relevant, will be followed, except that UMB will be responsible for counseling the students and paying the expenses related to testing.

**J. Consolidation of Funds for Residents and Fellows.** UMB and UMMC will agree on each party's contribution to the salaries of the medical residents and fellows and document each party's share in writing. Because UMMC currently serves as the employer of the medical residents and fellows, UMB will forward its share of the salary cost to UMMC in a time frame agreed to by UMMC so that UMMC can timely support and fund its payroll processes. In that capacity, UMMC administers UMMC funds, Veterans Administration funds, and some other funds assigned to the support of residents and fellows. Except where restricted by law or contract, UMB 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. The parties agree to consider transitioning fellows to become School of Medicine employees rather than UMMC employees pursuant to a process mutually agreed to by the parties.

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### **ARTICLE III. ADMINISTRATIVE SERVICES**

**A. UMB Administrative Services Provided to UMMC.** UMB will provide services to UMMC as described in this ARTICLE III and Exhibits B and C. UMB 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. Notwithstanding anything stated in ARTICLE III or this Agreement, UMMC is not obligated to purchase any set amount of administrative services, or any at all. UMMC will determine its needs for administrative services on a year to year basis and the parties will document agreed services and compensation in this Agreement for each applicable fiscal year.

#### **1. Personnel Services**

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

(b) All employment records for UMMC Personnel made and used by the UMB Office of Human Resource Services (formerly the UMB Office of Personnel) previously have been transferred to the Medical System Corporation. The UMB 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 UMB the option to accept return of such records.

(c) 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 authority of the President and Chancellor concerning Medical System University Personnel under the USM and UMB rules for exempt and non-exempt staff and Sections 12-108 and 12-109 of the Education Article.

#### **2. UMB Services of Facilities Management and Police Department**

(a) **Facilities Management and UMB Police – Scope of Services.** Through its Offices of Facilities Management and its Campus Police Department, UMB will provide to UMMC facilities management and UMB Police services as specified in Exhibit B.

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**(b) Compensation.** The compensation for the Facilities Management and UMB Police services for the Fiscal Year is specified in Schedule 1. The payment schedule for compensation set forth in Schedule 1 is set forth in ARTICLE X.D.1.

**(c) Fee for Service.** As stated in Exhibit B, some UMB 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. Compensation for services provided on a fee-for-service basis under this subsection are not included in Schedule 1 and will be billed to UMMC by the appropriate UMB office, with payment due to UMB within thirty days from UMMC's receipt of UMB's bill for such services.

### **3. Services of UMB Department of Environmental Health and Safety**

**(a) Scope of Services.** Through its Department of Environmental Health and Safety, UMB will provide services to UMMC as specified in Exhibit C. The compensation for services for the Fiscal Year is specified in Schedule 1.

**(b) Compensation.** Compensation for the services described in Exhibit C is set forth in Schedule 1 and the payment schedule for such compensation is set forth in ARTICLE X. Section D.1. Such compensation reflected on Schedule 1 does not include the UMB's direct costs incurred in obtaining materials and supplies necessary to provide the services set forth in Exhibit C and UMB's direct costs incurred in obtaining, permits and licenses in the name of UMMC. Further, the compensation does not include the costs of contracted services required to furnish the services. Services described in Exhibit C that exceed limits stated in Exhibit C will be considered extra costs. The costs described in this section will be billed to UMMC quarterly, with payment due to UMB within thirty (30) days from UMMC's receipt of UMB's bill. Notwithstanding, UMB will not incur any cost or make any expenditure related to the provision of the services described in Exhibit C, including without limitation any cost or expenditure for materials, supplies or contracted services, that exceeds \$1,000 without prior approval of UMMC. Such approval will be provided by the UMMC Chief Operating Officer or designee. UMB reserves the right to request that major purchases or contracts be made directly by UMMC, which UMMC may agree to do or may elect to forgo the particular service.

### **4. Changes in Level of Administrative Services**

**(a) Change Process.** Any changes in administrative services during this Fiscal Year must be agreed upon as provided in ARTICLE X, Section J, Paragraph 1. Unless otherwise specifically provided in this ARTICLE III, UMMC and UMB shall meet, no later than January 1, 2023, to discuss any anticipated changes in the next fiscal year in UMMC's need, or UMB's ability



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to provide, the level of administrative services provided by any administrative unit named in this ARTICLE III as stated in this Agreement. Further, from time to time throughout the Fiscal Year, pursuant to either party's request, UMMC and UMB will meet to discuss and collaboratively address any such anticipated changes.

**(b) Non-Solicitation.** In connection with the Medical System Corporation's establishment of administrative units to carry out functions performed by UMB under this Agreement, the Medical System Corporation agrees not to hire, employ, or contract with any UMB employee whose function in any way relates to performance of an administrative service by UMB for the Medical System Corporation. This prohibition is applicable to employees of all UMB 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 UMB personnel who have been laid off or discharged, or who have given UMB 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 UMB's Senior Vice President for Administration and Finance.

**5. University of Maryland Identity Program.** UMB, the Medical System Corporation 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 UMB 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 in that case will reimburse one another appropriately as agreed to allocate costs between the parties.

**B. UMMC Administrative Services Provided to UMB**

UMMC will provide services to UMB as agreed by the UMB President, or designee, and the UMMC/CEO, or designee, on an annual basis. The nature, scope and terms of such service shall be documented in either Exhibit B or a separate signed writing. UMMC shall invoice UMB for services rendered and UMB shall pay for such services within 30 days of the invoice date. Notwithstanding anything stated in this ARTICLE III or this Agreement, UMB is not obligated to purchase any set amount of administrative services, or any at all. UMB will determine its needs for administrative services on a year-to-year basis and document such in this Agreement for each applicable fiscal year.

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## ARTICLE IV. UMB FACULTY SERVICES TO UMMC AND MIDTOWN

### A. School of Medicine Faculty Services

**1. Scope of Services.** Pursuant to Maryland law, School of Medicine faculty (“SOM Faculty”) serve as the Medical Staff of UMMC and provide professional services within the UMMC Clinical Services. Further the School of Medicine also assigns SOM Faculty to be responsible for: (a) teaching and supervision of UMMC residents/fellows as part of Academic Programs, specifically UMMC’s graduate medical education programs and the affiliations with UMB’s undergraduate academic programs; (b) administrative and supervisory functions on behalf of UMMC or Midtown as required for accreditation of its facilities and programs and as necessary for its efficient operation, such as serving as Medical and/or Program Directors of a UMMC Clinical Service or Clinical Division; 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 (“Medical Faculty Services”).

**2. Compensation for Services.** In exchange for the Medical Faculty Services listed in the preceding paragraph, UMMC will pay UMB 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. This compensation falls into one of two categories: (1) “base support” or (2) “seed support.” “Base support” is financial support which supports the activities outlined in paragraph A.1. above and flows to the SOM as support of SOM Faculty salaries. Base Support shall be re-evaluated on an annual basis, each fiscal year, by the parties. “Seed support” reflects start up support for a specified period of time which is not intended to be ongoing for Medical Faculty Services at UMMC. Seed support is limited to one year or other term agreed upon, in writing, by UMMC and the School of Medicine. Any seed support reduction stated in Schedule 2B will be allocated among the SOM Departments’ services as mutually agreed by UMMC and the School of Medicine. If part or all of the seed support reduction stated in Schedule 2B can be restored, the restored funding will be allocated among the SOM Departments/ services as mutually agreed by UMMC and the School of Medicine.

The limit of one year, or other agreed upon term, for all seed support applies, as set forth in *Schedule 2B*, even if this Agreement continues into the subsequent fiscal year as set forth in Section 13-306(d) of the Medical System Law.

UMB or the School of Medicine shall provide any information reasonably requested by UMMC to verify the amount and nature of the requested base and/or seed support.

*Schedules 2A and 2B* state the assignment of funding to base support (*Schedule 2A*), and “seed” support (*Schedule 2B*) for SOM Faculty rendering Medical Faculty Services at UMMC.

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*Schedule 2C* states the assignment of funding to base support for Medical Faculty Services at Midtown.

*Schedules 2A, 2B* and *2C* include fringe benefit costs, at the stated UMB rates, associated with the payments being made for Medical Faculty Services listed in paragraph 1. See ARTICLE X, Section L, Paragraph 2, regarding adjustment of the fringe benefit costs.

The payment schedule is set forth in ARTICLE X, Section D, Paragraph 2.

**3. Space for Medical Faculty Services.** UMMC will provide, or require Midtown to provide, SOM Faculty with office equipment and administrative support as directly necessary for the SOM Faculty to execute their obligations to provide Medical Faculty Services for UMMC 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, during the Fiscal Year, in the amount of 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 for decision in accordance with ARTICLE X, Section B, below.

The space and other administrative support for Medical Faculty Services for UMMC addressed in this section is distinct from space and other administrative support UMMC provides to SOM Faculty and/or the School of Medicine for purposes not required to perform such hospital-based services or that UMMC provides to the Practices, as defined below in this ARTICLE IV, Section A, Paragraph 10. That space shall be subject to the documented space use review described in ARTICLE V and paid for as set forth in ARTICLE V.

#### **4. Performance Standards and Evaluation**

**(a) Service Performance Requirements.** UMMC’s agreement to pay compensation, as reflected in *Schedules 2A, 2B* and *2C*, is in exchange for and conditioned upon the School of Medicine’s agreement to require the Medical Faculty Services to meet the following “Service Performance Requirements”:

- (a) the performance is consistent with the requirements of the Leadership Document, as applicable;
- (b) the services are provided on an efficient and effective basis that promotes (i) quality, (ii) safety and (iii) customer/patient satisfaction, including but not limited to alignment with UMMS’s digital health strategy; and
- (c) compensation is based on fair market value.

**(b) Leadership Document.** Within 90 days of the effective date of this Agreement, the parties will finalize a document describing UMMC leadership roles held by SOM faculty, referred to herein as the “Leadership Document.” Any reference

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to the Leadership Document within this Agreement shall apply on and after the date of such finalization.

- (c) **Joint Performance Program.** During the Fiscal Year, the parties will continue to work towards improving their respective and collective financial performance, as well as improvement in quality and safety for UMMC patients. As part of that, the Dean-M and UMMC's designated executives will develop performance standards, measures and tools ("Joint Performance Program Measures and Tools"), to be used to evaluate and assess performance in the areas of: (a) compliance with the Leadership Document, as applicable; (b) effectiveness; (c) operational and cost efficiency; (d) quality; (e) safety; and (f) customer/patient satisfaction. Pursuant to Joint Performance Program Measures and Tools, SOM Departments may be eligible for financial incentives and/or subject to financial risk as a result of their performance measured by agreed upon metrics against agreed upon targets/goals.

**5. Changes to Annual Support.** The parties may agree to change the support allocation set forth in *Schedules 2A, 2B* (UMMC Base and Seed Support) and *2C* (Midtown Base Support) and/or to shift support between *Schedules 2A* (UMMC Base Support) and *2C* (Midtown Base Support) to reflect changes in services between UMMC and Midtown, provided such agreement is requested in writing by the School of Medicine and documented pursuant to ARTICLE X, Section J.

Only with the advance written consent of the CEO/UMMC, or designee, may the School of Medicine use the income budgeted for support of a specific faculty member or program to pay another faculty member or apply to another program in the event the first individual (i) ceases to receive, or ceases to be eligible to receive, income from the payments made to the SOM or (ii) the decision is made not to provide such support to the specific program.

The School of Medicine must provide advance notice to UMMC regarding any shift in the collective allocation of School of Medicine Faculty members' effort, on a Department level, dedicated to clinical service, education, research and/or other activity as compared to the initial allocation of effort, among these areas, on a Department level, at the time the support in Schedules 2A, 2B and 2C were agreed upon. In doing so, the School of Medicine and UMMC shall discuss any changes to such support resulting from the reallocation and UMMC must expressly agree to those changes in writing.

In order to account for changes to compensation and/or reallocation of SOM Faculty effort, as described above, through the fiscal year, as reasonably requested by either party, UMMC and

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the School of Medicine agree to cooperatively and collaboratively reconcile payments made pursuant to this Agreement with the actual level of Medical Faculty Services provided pursuant to this Agreement. Any adjustments will be made via the appropriate payment or refund by the appropriate party, within 30 days of identifying the need for such adjustment.

**6. Billing and Collection.** Professional services rendered by the SOM Faculty will be billed by the Practices, as provided in the Medical Service Plan, referenced below in Paragraph 10.

**7. Chairs and Chiefs.**

**(a) Composition and Responsibility of Chairs and Chiefs.** Pursuant to Section 13-305(a) of the Medical System Law, the chairs of the SOM Departments serve as chiefs of the corresponding UMMC Clinical Service. 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 SOM Department faculty. For patient care provided within or on behalf of UMMC, the clinical chairs/chiefs also are responsible to the CEO/UMMC and CEO of Midtown, as applicable. 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 Chairs and Chiefs.** 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 designate a member of the UMMC administration to represent UMMC 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. The clinical chairs/chiefs, division heads, and medical directors shall all adhere to the Leadership Document.

**(c) Chairs/Chiefs/Division Heads/ Medical Director Salaries.** Recommendations to the President of salaries for clinical chairs/chiefs, division heads, and medical directors of UMMC Clinical Services or Midtown Clinical Services 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. To the extent the role of a chair, chief, division head, medical director or the like is eliminated, UMMC will reduce its payments to UMB by the amount allocated for that individual or role and/or UMB will return any funds paid by UMMC allocated to that role subsequent to the date of the role's elimination, if any.

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**8. SOM Faculty Providing Leadership/Administrative/Supervisory or Educational Services.** Only those SOM Faculty 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 A of ARTICLE IV.

Further, the scope of services and/or job description, the percentage of FTE effort and job description, as well as the professional standards and principles applicable to any SOM Faculty member providing such services and fulfilling such a role for UMMC shall be set forth in a written agreement, as requested by UMMC, signed by representatives of UMMC, UMB or the applicable School or department and the employee. Such written agreement shall address additional parameters of the faculty member's engagement as the parties deem reasonable.

**9. Payments to Faculty while Physician on Leave.** Only with advance written approval of the CEO/UMMC and the Dean-M, may SOM Faculty receive income from the payments to the School of Medicine under this ARTICLE IV, Part A, while the faculty are on sabbatical leave, terminal leave, or paid leave of absence or administrative leave related to separation from employment.

**10. Relationship to Faculty Practice Plan.** In accordance with the Medical Service Plan ("MSP") of the School of Medicine, the University of Maryland Faculty Physicians, Inc. provides oversight, management and administrative supportive services to the faculty practice groups affiliated with the School of Medicine (each a "Practice", collectively, the "Practices").

**11. Transition to Programmatic Funds Flow Model.** The parties agree to continue to transition from a model that ties UMMC or Midtown funding to specific physicians to a fixed fee programmatic support model. The parties will incorporate appropriate Performance Measures and Tools as well as the principle of aligning such funding with national academic clinical and financial performance benchmarks. The parties will work diligently to achieve these goals in the subsequent fiscal years.

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**B. School of Pharmacy Faculty and Other Services**

UMMC and the School of Pharmacy will provide services as described in this Section B.

**1. Pharmacy Faculty Services.** The School of Pharmacy will provide pharmacy and pharmacist services for the benefit of UMMC during the Fiscal Year (“Pharmacy Faculty Services”). The Dean of the School of Pharmacy (“Dean-P”), or designee, and the Director of Pharmacy Services of the UMMC Department of Pharmacy Services, or designee (“Director”), will collaboratively establish, prior to July 1, 2022, a specific schedule of School of Pharmacy faculty pharmacists (“SOP Faculty”), as well as residents, who will provide such Pharmacy Faculty Services. That schedule is referred to herein as the “Pharmacist Schedule.” When agreeing to the assignments of SOP Faculty and residents, the Dean-P and Director will take into account the nature and scope of the SOP Faculty’s and residents’ experience, expertise and availability.

The Dean-P will ensure that staff assigned to provide Pharmacy Faculty Services receive appropriate faculty appointments in the School of Pharmacy’s Department of Pharmacy Practice and Science and have access to appropriate resources and student information necessary for the performance of agreed upon Pharmacy Faculty Services. The Dean-P shall have authority with respect to all policy decisions related to educational programs of the School of Pharmacy.

The Director will ensure that SOP Faculty assigned to provide Pharmacy Faculty 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 agreed upon Pharmacy Faculty Services. The Director shall have authority with respect to all policy decisions related to pharmacy services at UMMC.

**(a) Scope of Services.** The Pharmacy Faculty Services provided at UMMC by the SOP Faculty may include, as agreed to by the parties, and without limitation:

- (i) patient care services;
- (ii) active participation on committees;
- (iii) precepting UMMC residents while on rotation in an assigned service area; and
- (iv) provision of staff development programs to the hospital staff.

Notwithstanding, the Pharmacy Faculty Services must include, and the School of Pharmacy must require SOP Faculty to perform, the following mandatory services:

- (i) attendance at UMMC Department of Pharmacy Services meetings and in-services;

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- (ii) active participation in the activities of the UMMC Pharmacy and Therapeutics Committee, including, if necessary and requested by UMMC, assignment of one School of Pharmacy faculty member to committees addressing appropriate use of medications;
- (iii) active participation in UMMC clinical pathway development when appropriate and/or when requested by UMMC in order to maintain best practices within UMMC;
- (iv) active participation in UMMC quality improvement and patient safety initiatives when appropriate and/or when requested by UMMC in order to enhance service quality and productivity at UMMC;
- (v) active participation in UMMC cost containment and resource utilization projects and documenting cost reductions in a manner requested by UMMC pharmacy leadership; and
- (vi) active participation in any other initiative focused on the improvement of pharmacy services within UMMC, as reasonably requested by UMMC

**(b) Parameters on Pharmacy Faculty Services.** The activities of the SOP Faculty providing Pharmacy Faculty Services at UMMC pursuant to this Agreement are subject to the following terms:

- (i) For SOP Faculty providing direct patient care, the percentage of effort related to inpatient services will be as stated in the Pharmacist Schedule by the School of Pharmacy and UMMC. The School of Pharmacy will require that if SOP Faculty are unable to provide scheduled service coverage, it is the responsibility of the SOP Faculty member to make arrangements for coverage (e.g., swap days with another SOP Faculty member with like expertise, skill and experience), if possible, and to notify a designated School of Pharmacy or UMMC administrator if coverage cannot be arranged.
- (ii) For SOP Faculty providing direct patient care, the percentage of effort related to outpatient clinics will be as stated in the Pharmacist Schedule.
- (iii) Any “covering” Pharmacist must have the appropriate experience and skill set to perform the covered services.
- (iv) If a SOP Faculty 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 Pharmacist Schedule. If the School of Pharmacy is unable to provide service coverage, then the School of



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Pharmacy will discuss with the Director or designee a commensurate reduction in the financial support stated in *Schedule 3*.

**2. Compensation for Services.** UMMC shall provide financial support to the School of Pharmacy for SOP Faculty providing Pharmacy Faculty Services to UMMC in accordance with the Pharmacist Schedule. In addition, UMMC and the School of Pharmacy will aim to equally share in the costs of recruiting the SOP Faculty, as defined in this Agreement, as well as the costs of the residency program discussed further below. UMMC's estimated share of such costs for the Fiscal Year are set forth in *Schedule 3* along with the financial support for the SOP Faculty, staff and residents. *Schedule 3* also reflects, as applicable, fringe benefit costs at standard UMB rates for SOP Faculty. Each party shall invoice the other as necessary to facilitate the agreed upon share/division of recruitment and resident costs between the parties pursuant to each party's standard invoicing procedures.

The School of Pharmacy will pay UMMC for agreed upon services provided to the School in the Fiscal Year, such as preceptor services for School of Pharmacy students. Such service arrangements will be further detailed in a separate document between the parties. Standard School of Pharmacy stipends for clinical faculty will apply. UMMC has no responsibility with respect to those payments.

The payment schedule is set forth in ARTICLE X, Section D, Paragraph 2.

**3. Performance Standards and Evaluation.** The Director and Dean-P will agree upon certain performance standards ("SOP Performance Standards"), as well as tools to measure compliance with such standards, applicable to the Pharmacy Faculty Services pursuant to which SOP Faculty and residents will be evaluated. At a minimum, SOP Performance Standards will include compliance with the Leadership Document, as applicable. Such SOP Performance Standards will relate to service efficiency, patient safety, service quality and/or other areas identified by the Director and Dean-P. Throughout the Fiscal Year, the Dean-P and the Director, or their designees, will meet quarterly, or more frequently as agreed to by the Director and Dean-P or their designees, to:

- (a) reevaluate the needs of the UMMC Department of Pharmacy and the School of Pharmacy;
- (b) adjust the Pharmacy Faculty Services and/or SOP Faculty assignments to meet these needs in an effective manner, as agreed to;
- (c) evaluate current Pharmacy Faculty Services provided by the SOP Faculty to UMMC and the SOP Faculty's performance overall in the context of the agreed upon Performance Standards;
- (d) evaluate services provided by the UMMC Department of Pharmacy Services

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to the School of Pharmacy, such as student preceptor services; and

(e) plan for further cooperative development of pharmacy service, education, and research programs.

Either the Dean-P, or designee, or the Director, or designee, may initiate an evaluation of the Pharmacy Faculty Services or certain Pharmacist assignments, or request to substitute assigned SOP Faculty. Both the Dean-P and Director (or their designees) shall provide any information reasonably requested to perform such evaluation. Should either the Dean-P or Director (or their designees) become dissatisfied with the level or nature of the services received, the Dean-P and Director (or designees) shall work, in good faith, to identify a solution. Any differences of opinion between the Dean-P and the Director shall be resolved by the President and the CEO/UMMC, or their designees, in accordance with ARTICLE X, Section B, below.

**4. Compensation Reconciliation.** UMMC and the School of Pharmacy will participate, in good faith, in an annual operational and financial review to reconcile payment amounts with the actual level of Pharmacy Faculty Services provided pursuant to this Agreement. Any adjustments will be made via the appropriate payment or refund by the appropriate party, within 30 days of the end of the applicable quarter.

**5. Billing and Collection.** UMMC personnel will prepare and submit charges for pharmacy services rendered within the UMMC pharmacies in accordance with UMMC standard billing procedures and all such generated revenue will accrue to UMMC.

**6. Joint Residency Program.** UMMC and the School of Pharmacy collaboratively operate residency and fellowship programs. UMMC and the School of Pharmacy's respective obligations are set forth in a memorandum of understanding between the parties that is reviewed, revised and updated, as needed, each fiscal year. The residents' services provided pursuant to this ARTICLE IV, must adhere to the same performance expectations set forth above, as applicable.

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**C. School of Dentistry Faculty Services**

The Dean of the School of Dentistry (“Dean-D”) shall assign faculty members (“Dentistry Faculty”) and other professional staff to UMMC and require such faculty and staff to provide services at UMMC as described in this ARTICLE IV, Section C.

**1. Scope of Services.**

- (a) The School of Dentistry shall provide UMMC with School of Dentistry faculty members (“Dentistry Faculty”) and other professional staff to provide the following services (“Dentistry Faculty Services”) :
  - (i) Supervision and administration of dental residents, employed by UMMC, in their delivery of comprehensive dental care to UMMC patients;
  - (ii) 24-hour on-call coverage 7 days per week within the inpatient and emergency department setting;
  - (iii) Provision of inpatient oral maxillofacial and dental services as agreed to between Dean-D and the UMMC designated executive;
  - (iv) Faculty coverage of clinics Monday through Friday from 8 a.m. to 4:30 p.m., exclusive of holidays with any changes requiring the approval of CEO/UMMC; and
  - (v) Any additional services agreed to by the Dean-D and CEO/UMMC, or designee
- (b) The Dean-D shall assign individual faculty to perform responsibilities under this Agreement and may substitute faculty who meet the requisite skill set at his discretion after consultation with the CEO/UMMC.
- (c) 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 Dentistry Faculty pursuant to this Agreement, supervise faculty dentists and dental residents, and provide back-up services as required in his judgment.

**2. Personnel, Supplies and Space.** UMMC shall provide at no cost to the School of Dentistry such UMMC Personnel as may be necessary for the Dentistry Faculty to execute their responsibilities under this Agreement and in consideration of the current needs demonstrated by the School of Dentistry. UMMC will have the exclusive right to approve or disapprove all assignments of UMMC Personnel and related expenditures for this purpose proposed by the School of Dentistry.

UMMC shall provide at no cost to the Dentistry Faculty the supplies necessary for the Dentistry Faculty to execute their responsibilities under this Agreement. UMMC will have the

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exclusive right to approve or disapprove all expenditures requested by the School of Dentistry for these purposes.

UMMC shall provide the School of Dentistry, at no charge, office space for administrative functions as necessary for the Dental Faculty to execute their responsibilities under this Agreement. The scope and location of such administrative space shall be determined by UMMC in consultation with the Dean-D or designee. UMMC may agree to re-evaluate the space allocation to accommodate changes in provider, patient and service volumes. This space shall be subject to the space use review described in ARTICLE V.

The space and other resources addressed herein is distinct from space and other administrative support UMMC may agree to provide to the School of Dentistry and Dentistry Faculty for use in connection with their professional practices, such as laboratory space and sterilization equipment. As such, the School of Dentistry agrees that none of the space, support or resources provided in connection with the School of Dentistry's provision of Dentistry Faculty Services to UMMC patients will be utilized in connection or comingled with its private practice services or functions. The use of and payment for that space and such resources is addressed in ARTICLE V.

**3. Billing and Collection.** UMMC Department of Oral Maxillofacial Surgery 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 the UMMC Dental Clinics.

**4. Compensation.** The compensation payable by UMMC to the School of Dentistry for Dentistry Faculty Services for the Fiscal Year is set forth in *Schedule 4* which reflects faculty fringe benefit costs at the standard UMB rate. The payment schedule is set forth in ARTICLE X, Section D, paragraph 2.

**5. Compensation and Reconciliation.** As requested by either party, UMMC via the CEO/UMMC or designee, and the School of Dentistry will participate, in good faith, in regular operational and financial review meetings to reconcile payment amounts with the actual level of Dentistry Faculty Services provided pursuant to this Agreement. Any adjustments will be made via the appropriate payment or refund by the appropriate party, within 30 days of the end of the applicable review period.

**6. Performance Standards and Evaluation.** The Dean-D and CEO/UMMC, or designees, will agree upon certain performance standards, which will include compliance with the Leadership Document, as applicable, as well as tools to measure compliance with such standards,

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applicable to the Dentistry Faculty Services pursuant to which SOP Faculty and residents will be evaluated (“SOD Performance Standards”). Such SOD Performance Standards will relate to: patient satisfaction and other CG-CAHPS performance measures, timely medical record documentation, avoidable readmissions, smoking cessation education and/or other areas identified by the Director and Dean-D.

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

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**D. School of Nursing Faculty Services**

Pursuant to the agreement of the Dean of the School of Nursing (“Dean-N”) and the Senior Vice President, Chief Nursing Officer of UMMC (“CNO-UMMC”), nurses, employed by UMMC, may be assigned to work part-time as faculty of the School of Nursing (“Nursing Faculty”) to teach agreed courses at the School of Nursing and/or at UMMC. Payment for the Nursing Faculty’s time will be documented in writing and reported to the UMB Office of Financial Services. Such payment will be made to UMMC following the end of the academic year. A memorandum of understanding setting out further terms and conditions of this service arrangement and related compensation may be executed by the Dean-N and the CNO-UMMC in consultation with the CEO-UMMC.

The payment schedule is set forth in ARTICLE X, Section E, Paragraph 2.

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**E. General Requirements Applicable to All Faculty Members and Services**

**1. Professional Qualifications.** As a general matter, all faculty funded pursuant to this Agreement must be:

- (a) Duly licensed, registered and/or certified to perform the applicable services;
- (b) Duly credentialed or privileged as required by UMMC and/or Midtown policy and Medical Staff bylaws; and
- (c) Not excluded from participation in any government health care program.

**2. Performance Requirements, Standards and Evaluations.** All faculty, must:

- (a) Perform the services in accordance with the applicable job description, and if applicable the Leadership Document;
- (b) Adhere to UMMC and/or Midtown policies and procedures; and
- (c) Comply with all applicable state and federal laws including, without limitation, laws targeting fraud, waste and abuse, as well as the privacy and security of patient information.

**3. UMMC Space Utilization by UMB Faculty.** UMMC shall only provide space and other Space Related Resources to UMB faculty, at no cost, if the use of such space is for the provision of services pursuant to this Agreement on behalf of UMMC and for the benefit of its patients. Use of space and Space Related Resources for any other purpose, shall be addressed in ARTICLE V.

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## ARTICLE V. COMPENSATION FOR USE OF SPACE

**A. Use of Space and Compensation.** UMB and UMMC each uses space within buildings owned by the other party and in doing so may also utilize resources, such as furniture, fixtures, equipment, information technology (IT) and related support (“Space Related Resources”). The parties agree to continue to allow such use of space and Space Related Resources pursuant to the terms of this ARTICLE V. During FY 22, the parties completed a space inventory delineating each party’s non-exclusive and exclusive use of the other’s space. *Schedule 5* sets forth an estimated value of UMMC space that is shared or used by UMB and the value of UMB space that is shared or used by UMMC. Because the value of space used by UMB exceeds that of the space used by UMMC, the parties agree that the difference between the values, as set forth on *Schedule 5*, will be paid to UMMC by UMB to reimburse UMMC’s net expense.

**B. Space Use Compliance.** Each party's use of the other's space shall be subject to all applicable policies, 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. Changes to Space Use.** During the Fiscal Year, the parties will request any needed change to, or reallocation of their current use of space within sixty (60) days, or other time period agreed to by the parties, before the date of the desired change or reallocation. UMB shall submit its requests to the UMMC Chief Operating Officer and approval shall be provided by the CEO/UMMC or designee. UMMC shall submit its requests to the UMB President’s designee and approval must be provided by the UMB President or designee. Such approval must be obtained in advance of any change. On an annual basis, the parties will collaboratively update the space inventory. An annual update must occur within seventy-five (75) days after the end of the Fiscal Year.

**D. Fair Market Value Assessment in FY 2023.** In FY 2023, the parties will: (1) analyze the recent space survey for purposes of determining the space for which the parties should compensate one another pursuant to this ARTICLE V (“Compensated Space Scope”); (2) analyze the Space Related Resources to determine the resources for which the parties should compensate one another pursuant to this ARTICLE V; and (3) ascertain a fair market value rate for purposes of determining that compensation. Such Compensated Space Scope and fair market value rate shall be applied in FY 2024 and forward. In settling Compensated Space Scope, the parties will take account of shared use of space and allocate fair market value compensation in percentages agreed to by the CEO/UMMC and UMB President, or designees.



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## **ARTICLE VI. PERSONNEL MATTERS**

### **A. Medical System University Personnel**

1. To the extent there are individuals among UMMC Personnel who meet the definition of Medical System University Personnel, UMB 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.

2. UMMC will provide all funds required by UMB for any wages and fringe benefits payable by UMB 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.

3. UMMC will maintain a list of Medical System University Personnel. In the event that there is any dispute between an employee and UMB or UMMC as to whether that employee is part of the Medical System University Personnel, the decision of the UMB 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.

**B. Jointly Supported Employees.** Certain full-time employees of UMB or UMMC may have job responsibilities that directly benefit the other party. As such, the employee is financially supported by both entities and for purposes of this ARTICLE VI referred to as a Jointly Supported Employee. The non-employing party receiving such benefit and providing the corresponding financial support is referred to as the “Supporting Organization.”

The President and the CEO/UMMC, or their respective designees, must approve in writing: (1) any Jointly Supported Employee arrangement; (2) any temporary employment or consulting agreements between an employee of one party and the other party; and (3) the compensation payable by the Supporting Organization for the services of the Jointly Supported Employees.

UMB employees who have job responsibilities including activities of direct benefit to UMMC and/or Midtown, in exchange for which UMMC provides financial support to UMB, are referred to herein as “UMMC-Supported Employees.” UMMC Personnel who have job responsibilities including activities of direct benefit to UMB in exchange for which UMB provides

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financial support to UMMC, are referred herein as “UMB-Supported Employees.” Individuals who are part-time employees of UMB, and also part-time employees of UMMC, are not Jointly Supported Employees.

**C. Scope of Services/Job Descriptions.** The scope of services and/or job description, the percentage of FTE effort and job description, as well as the professional standards applicable to a Jointly Supported Employee’s role for a Supporting Organization shall be set forth in a written agreement signed by representatives of UMMC and UMB or the applicable School or department and the employee. Such written agreement shall address additional matters relating to the Jointly Supported Employee’s engagement as the parties deem reasonable.

**D. Payment for Jointly Supported Employees.**

**1. Payment to UMB for UMMC-Supported Employees**

**(a) Payment to be Proportionate to Effort.** UMMC may fund the full amount, or an agreed upon share, of UMB’s salary and fringe benefits cost (“employment cost”) for UMMC-Supported Employees. UMMC’s percentage share of employment cost for a UMMC Supported Employee will be the same as that employee’s percentage effort resulting in direct benefit to UMMC and/or Midtown, as determined by UMB 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. UMB will not bill Midtown.

**(b) Limits on Use of UMMC Support.** UMMC support of employment cost may not be used to increase the salary or overall compensation of a UMMC Supported Employee above a UMB approved level.

**(c) Schedule of UMMC-Supported Employees and Changes to that Schedule.** UMB and UMMC shall maintain a schedule of the UMMC-Supported Employees and associated employment costs to be paid by UMMC for such UMMC-Supported Employees. This “UMMC-Supported Employee Schedule” will be finalized no later than the end of July of the Fiscal Year. On a semi-monthly basis, UMMC will pay UMB 1/24 of the aggregate UMMC-supported employees cost as stated in the Schedule, as provided in ARTICLE X, Section D.3. The payment so determined will be in effect following agreement upon the Schedule for the Fiscal Year. In issuing its first payment in this Fiscal Year, UMMC will pay for the UMMC-Supported Employees services retroactive to July 1 of this Fiscal Year.

The parties recognize that changes to the Schedule of UMMC-Supported Employees due to departures or changes in scope of employment, hiring, payroll practices, and COLA or other adjustments, may occur through the Fiscal Year. To the extent there are changes of the UMMC-

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Supported Employee Schedule as agreed by the UMMC/CEO and UMB President, or designees, by virtue of changes to the list of employees, those employees' respective agreed upon efforts for UMMC, and/or those employees' employment costs, UMB may not reallocate any such costs for any other purpose without the prior written consent from UMMC/CEO or designee. Further, twice per year, once after December 31 of the Fiscal Year, and again after the close of the Fiscal Year, UMB and UMMC will reconcile UMMC's payment for UMMC-Supported Employees to the services provided by those employees and the costs actually incurred by UMB. Within 90 days after these two reconciliations, UMB will calculate a reconciling sum and submit to the appropriate UMMC representative, as designated by the UMMC/CFO or designee, so that UMMC only pays for the actual services provided by UMMC-Supported Employees and the actual costs incurred by UMB related to those services, as agreed by UMB and UMMC.

## **2. Payment to UMMC for UMB-Supported Employees.**

(a) **Grant Funded Activities of UMB-Supported Employees.** To the extent UMMC Personnel who are UMB-Supported Employees devote part-time or full-time effort to clinical, research related or other activities at UMMC and/or Midtown or at UMB health care delivery sites for which UMB receives grant and contract support or other funding, UMB will transfer to UMMC funds received for salaries and fringe benefits of such UMMC Personnel, in accordance with the budgets of these grants, contracts and other funding. Such amounts shall be proportionate to UMMC Personnel efforts and activities.

(b) **School of Medicine Services.** To the extent UMMC Personnel who are UMB-Supported Employees devote part-time or full-time effort to activities of the School of Medicine, as agreed between the SOM Departments and UMMC and/or Midtown, the invoices and payments will be processed in accordance with the parties' agreements as provided in ARTICLE X, Section E.3.

**3. Assistance in UMMC Collection for Practice Supported Employees.** Some full-time UMMC Personnel devote part-time or full-time effort to activities of the Practices. If a Practice has committed to support the employment of UMMC Personnel, UMB will provide support reasonably requested by UMMC to collect invoiced, but unpaid, sums due from Practices. UMMC recognizes that UMB does not control the funds of the Practices.

## **E. General Requirements Applicable to All Jointly Supported Employees**

**1. Professional Qualifications.** As a general matter and as applicable, all Jointly Supported Employees must be:

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- (a) Duly licensed, registered and/or certified to perform the applicable services;
- (b) Duly credentialed or privileged as required by UMMC policy and Medical Staff bylaws; and
- (c) Not excluded from participation in any government health care program.

**2. Performance Requirements, Standards and Evaluations.** All Jointly Supported Employees, must:

- (a) Perform the services in accordance with the applicable job description of the Supporting Organization;
- (b) Adhere to the Supporting Organization's policies and procedures; and
- (c) Comply with all applicable state and federal laws including, without limitation, laws targeting fraud, waste and abuse, as well as the privacy and security of patient information.

**F. Performance Evaluations and Reconciliation.** At least quarterly, representatives of UMB, UMMC, and the School of Medicine will meet to review the status of the obligations of UMMC, UMB and the School of Medicine to one another for support of Jointly Supported Employees, to reconcile obligations to one another for employment cost support and to evaluate the performance of the Jointly Supported Employee. As determined necessary by the parties, a Jointly Supported Employee may attend the part of a quarterly reconciliation meeting that concerns that employee. The President, the Dean-M, as applicable, and the CEO/UMMC shall designate representatives for these meetings. The target dates for meetings are October 1, 2022, December 1, 2022, February 1, 2023, and May 1, 2023. The parties agree to share any information reasonably requested in order to perform such evaluations and reconciliations including documentation of the Jointly Supported Employee's salary and fringe benefit costs.

**G. Compliance with Policies and Procedures.** In performing the duties for a supporting party, the Jointly Supported Employee is considered part of the Supporting Organization's workforce and as such must adhere to all applicable policies and procedures, in addition to all applicable state and federal laws in the course of performing the duties hereunder. Each party agrees that the Supporting Organization will have unrestricted access to interview a Jointly Supported Employee at reasonable times for the purpose of determining such Jointly Supported Employee's compliance with this Agreement. Each party agrees that a Jointly Supported Employee may be accompanied at such interviews by a member of senior leadership, a chair or a representative of a chair, as may be applicable and, if the interview involves a potential criminal issue, by a legal representative, with respect to UMB employees, or UMMC Office of General Counsel and/or legal counsel or representative as designated by the employee with respect to UMMC Personnel.

**H. Employer Obligations.** The party assigning its employees to work for the

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Supporting Organization will remain the lawful employer of the Jointly Supported Employee and responsible for all employer obligations, such as the preparation of any income reports to tax authorities and the maintenance of appropriate workers compensation coverage and unemployment insurance. The Jointly Supported Employee shall not be a common law employee of the Supporting Organization.

**I. Termination.** As to any Jointly Supported Employee, either party may terminate the arrangement and related support following not less sixty (60) days written notice, provided such notice is in compliance with notice requirements under applicable employment laws. Notwithstanding, a party may terminate such support and arrangement immediately without prior written notice upon the Supporting Organization's reasonable determination, communicated in writing to the other party, that the Jointly Supported Employee has violated the Supporting Organization's policies, procedures or applicable law. A party will have no obligation to assign an employee to perform work for the other party if the employee has ceased to be a Jointly Supported Employee due to notice given by the other party under the first sentence of this paragraph, a party will have no ability to assign an employee to perform work for the other party if the employee has ceased to be a Jointly Supported Employee due to termination by immediate notice given by the other party as provided in the second sentence of this paragraph.

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## **ARTICLE VII. ASSUMPTION OF LIABILITIES; INSURANCE**

**A.** None of the Medical System Corporation, Medical Center LLC or Midtown, shall assume any liabilities of UMB, 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. Cooperation of Defense of Claims (Medical System Corporation).** The Medical System Corporation (1) will cooperate fully with UMB and the Office of the Attorney General in the investigation and defense of potential claims and claims asserted against UMB 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 UMB, its faculty, or students at UMMC or Midtown; and (2) will direct its professional staff and administration, including employees of the Medical Center LLC and Midtown, as applicable, to provide non-legal advice and consultation to UMB and the Office of the Attorney General with regard to such matters at no cost.

**C. Cooperation of Defense of Claims (UMB).** UMB (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, Midtown or the officers or employees of any such entity, 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 UMB after the Transfer Date pursuant to this Agreement or any prior Annual Contract, and (c) education or research activities conducted by UMB, its faculty or students at UMMC or Midtown; and (2) will direct its professional staff and administration to provide consultation to UMMC and Midtown and their legal counsel with regard to such matters at no cost.

**D. Insurance.**

**1.** To the extent feasible in the opinion of the CEO/UMMC, UMMC will procure insurance adequate to protect UMB's interest and provide for UMB'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

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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. Professional Malpractice Insurance.** The President and the CEO/UMMC shall establish procedures for coordinated planning of malpractice insurance for the UMB faculty, staff and students, UMMC, and UMMC Personnel. In planning, representatives from the School of Medicine, other UMB schools and UMMC shall be involved as the President and the CEO/UMMC deem appropriate. During the Fiscal Year, (1) UMMC and/or Midtown, as applicable, will support the purchase of malpractice insurance for the faculty on the medical staff of UMMC and/or Midtown as applicable, 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 health care facilities other than UMMC for consideration payable to the School of Medicine or to UMMC.

**F. Indemnification by the Medical System Corporation.** 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 (Administrative Services), ARTICLE IV (UMB Faculty Services), Section A, Paragraph 1 and ARTICLE VI (Jointly Supported Employees), Sections B and C; 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 UMB faculty pursuant to ARTICLE IV (UMB Faculty Services).

**G.** The Medical System Corporation will defend, indemnify and hold harmless UMB

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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.

**H.** Obligations and liabilities of the Medical System Corporation to USM and UMB may not be transferred to the Medical Center LLC and/or Midtown. 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.



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## **ARTICLE VIII. MEDICAL STAFF**

UMMC shall provide in the by-laws of the UMMC medical staff that 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. 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 from faculty hire, will notify UMMC when faculty appointments are complete, and will notify UMMC when faculty appointments are terminated, all of the foregoing requirements applying 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 faculty 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.

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**ARTICLE IX. ENDOWMENTS**

Any endowments or gifts received by UMB 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 UMB 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 UMB or any part of the UMB will be identified to UMB by the Medical System Corporation and transferred as UMB directs, both within ninety (90) days of receipt.

If a court order or other approval required by law is necessary 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.

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## ARTICLE X. ADMINISTRATIVE MATTERS

**A. Governing Law.** 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, USM, or UMB, or to deprive USM, UMB or any officer or employee thereof of sovereign immunity.

**B. Interpretation Disputes.** If there should be any dispute between the parties related to the interpretation or administration of this Agreement, the President and the CEO/UMMC, or their designees, 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. Medical System University Personnel.** All records generated by UMMC related to the employment of Medical System University Personnel shall be the property of UMMC for all purposes. UMB 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 UMB 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 UMB's public business, shall be the property of UMMC. UMB 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, UMB may review and photocopy such records and materials at its own expense.

**D. Payment Schedule for Compensation due to UMB from UMMC.** Compensation due UMB from UMMC is payable according to the following schedule:

1. **Administrative Services Payment Schedule.** Payments for services described in ARTICLE III (Administrative Services) 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*. This payment schedule applies to amounts set forth in the applicable *Schedule 1*. It does not apply to any costs invoiced between the parties as provided for in ARTICLE III.

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2. **Faculty Services Payment Schedule.** Payments by UMMC for faculty services described in ARTICLE IV, paragraphs A, B and C, and *Schedules 2A, 2B, 2C*, (Medical Faculty) *Schedule 3* (Pharmacy Faculty) and *Schedule 4* (Dentistry Faculty) 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. **UMMC-Supported Employees Payment Schedule.** Payments by UMMC described in ARTICLE VI, Section A (relating to Medical System University Personnel), and ARTICLE VI, Section D.1. (related to UMMC-Supported Employees), will be made semi-monthly on the fifteenth (15<sup>th</sup>) and thirtieth (30<sup>th</sup>) 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. Payment Schedule for Compensation due to UMMC from UMB.**

1. **Payment for Space Use.** Compensation due from UMB 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 (15<sup>th</sup>) and thirtieth (30<sup>th</sup>) 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. **Payment for Nursing School Faculty Services.** Compensation from the School of Nursing for faculty services as agreed to in writing in accordance with ARTICLE IV, Section D, will be payable in a single payment due no later than June 30, 2023.

3. **UMB-Supported Employee Payment Schedule.** Payments by UMB described in ARTICLE VI, Section D.2. (related to UMB-Supported Employees), will be made semi-monthly on the fifteenth (15<sup>th</sup>) and thirtieth (30<sup>th</sup>) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

**F. State Appropriations to USM or UMB for UMMS.** If any State appropriated funds are appropriated to USM or UMB for the Fiscal Year and provided by the State for transfer to UMMC, the funds will be paid to UMMC by USM or UMB in two equal installments, due July 1, 2022 and January 2, 2023.

**G. Invoicing Process**

1. UMB shall invoice UMMC (a) once for semi-monthly payments due

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to USM or UMB pursuant to this Agreement and (b) periodically, as provided in this Agreement, for other billable services and cost reimbursements, such as extra costs or fee for service costs. UMMC semi-monthly payments to UMB will be made by electronic funds transfer in accordance with instructions provided by UMB. Other payments from UMMC to UMB will be made by electronic funds transfer if feasible and if payment information is provided by UMB when required payments are invoiced. If UMMC is unable to issue payment via electronic funds transfer, payment shall be made by check to UMB as promptly as possible after the due date for the payment.

**2.** Payments due the Medical System Corporation and/or UMMC from UMB shall be paid by the State of Maryland by check, using check mailing instructions provided by the Medical System Corporation and/or UMMC, as applicable, or pursuant to the most current payment methodology as communicated by the Medical System Corporation and/or UMMC, subject to State law, regulation or policy permitting use of that means of payment.

**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. Late Fees.** If any payment due UMB from UMMC pursuant to this Agreement is not transferred to or delivered to UMB 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 UMB. If any payment due to UMMC from UMB pursuant to this Agreement is not transferred to or delivered to UMMC 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 UMMC.

**H. Agreement Term.** The term of this Agreement is July 1, 2022 through June 30, 2023. If USM and the Medical System Corporation do not enter into an Annual Contract for the fiscal year ending June 30, 2024, this Agreement shall remain in force until another annual contract is approved, which could occur after a fiscal year has begun. Seed support payable pursuant to ***Schedule 2B*** shall only continue for the defined period of time as provided in ARTICLE IV.A.2.

**I. Amendments to this Agreement.** 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. Approved amendments must be set forth in a writing signed by the parties.

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**J. Changes Without Amendment.** Without following the amendment procedures in Section I, the President and the CEO/UMMC, or their designees, may agree to the changes summarized below via a written and signed agreement.

**1. Changes to Administrative Services and Faculty Services.**

- (a) **Less than 25% Change to Service Volume.** Increase or decrease the services provided to the Medical System Corporation, UMMC or Midtown by UMB, provided that any such change in administrative or faculty services provided by a UMB 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 UMB administrative unit or School, as shown on *Schedule 1, 2A, 2B, 2C, 3 or 4*;
- (b) **Increase of Costs to Reflect Increase of Salary/Benefits.** 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;
- (c) **Shifting of Costs Related to Relocated/Expanded Service to Midtown.** Shift between *Schedule 2A* and *Schedule 2C* if UMMC clinical services are relocated to or expanded to Midtown, or vice versa.

**2. Changes to Space Use.** 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*.

**3. Changes in SOM Faculty Compensation.** Changes described in ARTICLE IV, Section A.5.

Any actions pursuant to this Section shall be effective as of the date agreed by the authorized approvers and payments thereafter shall be adjusted appropriately. With respect to changes to administrative services, the President and the CEO/UMMC may delegate authority to approve such changes to appropriate officers who report to them.

**K. Access to Books and Records.** Unless UMB is instructed to the contrary by UMMC, UMB shall make such of its records as are necessary to verify the nature and extent of the

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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 UMB and organizations related to UMB or under contract to UMB also shall be made available, to the extent required by law.

**L. UMB Fringe Benefit Rates and Adjustments.**

1. The compensation from UMMC to UMB for faculty, staff and resident services (see *Schedules 2A, 2B, 2C, 3 and 4*) includes a charge for fringe benefits at a standard fringe benefit rate set by UMB (subject to approval of the United States Government) for use in UMB grants and contracts. For UMMC funding to support salary and fringe benefit costs of UMB faculty and staff employees with responsibilities to UMMC and/or Midtown, as described in *Schedules 2A, 2B, 2C and 3*, ARTICLE VI, Section F.2. and ARTICLE X, Section D, Paragraph 3, the standard UMB fringe benefit rate for the relevant category of personnel will be used. For the Fiscal Year, the rates are 26.7% for faculty, 37.3% for exempt staff and 19.5% 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, UMB will reduce the total annual payment required from UMMC under *Schedules 2A, 2B, and 2C* by the sum of \$4,778,533.00 which has been agreed to by UMB and UMMC. 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, UMB will not use or apply federal funds to reduce the payment due from UMMC as described in this Section.

**M. Assertion of Defenses on Behalf of UMB.**

1. No provision of this Agreement requiring the Medical System Corporation or UMMC to defend, indemnify, and hold harmless the State, UMB, 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 UMB all defenses that might be asserted by the Office of the Attorney General in opposition to such claims or actions. The Office of the Attorney General shall be consulted by the Medical System Corporation regarding use of immunity defense.

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2. No provision of this Agreement requiring the Medical System Corporation or UMMC to defend, indemnify and hold harmless the State, UMB, 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, UMB 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, UMB, and the Office of the Attorney General before initiating any such action.

N. **Regulatory Compliance.** 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 UMB are not a single affiliated covered entity for HIPAA purposes. Further, as a general matter, the parties each shall comply with all applicable federal, state and local laws in performing their respective obligations there under, including but not limited to the federal and state laws addressing anti-kickback, self-referral, fraud, waste, and whistleblower protections for those reporting violations of such laws.



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## **ARTICLE XI. SUBSIDIARIES**

UMB 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 XI refers to a subsidiary or related entity, as defined in Section A of this ARTICLE.

### **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 UMB shall be transferred to a subsidiary without prior approval of the Board of Regents.
2. If the President of UMB 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 UMB, with input from the CEO/UMMC, 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.

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4. The Medical System Corporation shall defend, indemnify and hold harmless UMB, the Board of Regents, and the officers and employees of UMB with respect to any claims, demands, actions or suits asserted against UMB 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 UMB 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 UMB, the Board of Regents or officers or employees of UMB shall be waived or limited as a result of the Medical System Corporation's agreement to defend and indemnify UMB, the Board of Regents, and officers and employees of UMB.

5. Annually, in connection with preparation of the Annual Contract, the Medical System Corporation shall report to UMB 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) ("UMROI"), and Paragraph 2 of Section B of this ARTICLE XI 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 UMB previously approved the establishment of the Medical Center LLC as a subsidiary of the Medical System Corporation, as provided by State law, provided that the President of UMB and the Dean-M are non-voting members of the Medical Center LLC board.

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**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 UMB have entered into a Mission Support Agreement (“MSA”) which will be effective during the Fiscal Year. The MSA is herein referenced and Exhibit A of the MSA is 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.

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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 and Chief Executive Officer  
University of Maryland Medical System Corporation

\_\_\_\_\_  
Date

**UNIVERSITY OF MARYLAND  
MEDICAL CENTER, LLC**

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

\_\_\_\_\_  
Date

SCHEDULE 1 - F.Y. 2023  
PAYMENT TO UMB  
FOR ADMINISTRATIVE SERVICES

Administrative Services (Exhibit B)

Facilities Management (Operations and Maintenance)	\$ 19,885
Public Safety	\$ 1,218,320
	<hr/>
Subtotal	\$ 1,238,205
Environmental Health and Safety (Exhibit C)	\$ 608,589
	<hr/>
TOTAL	\$ 1,846,794

**SCHEDULE 2A - FY 2023**  
**SCHOOL OF MEDICINE FACULTY SERVICES**  
**BASE PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER**

<b>Department</b>	<b>Base Amount</b>
Anesthesiology	\$ 14,075,706
Critical Care	2,635,691
Dermatology	207,410
Diagnostic Radiology	7,152,194
Emergency Room	4,458,535
Family Medicine	391,522
Infection Control / Epidemiology	339,815
Medicine	6,567,570
Neurology	1,534,608
Neurosurgery	836,617
OB/Gyn	5,751,053
Oncology	2,133,529
Ophthalmology	455,385
Orthopedics	2,996,251
Otorhinolaryngology	1,175,571
Pathology	2,816,636
Pediatrics	7,409,725
Psychiatry	5,877,201
Radiation Oncology	2,048,017
Shock Trauma	10,260,919
Surgery	6,888,776
Total Salary	<u>86,012,732</u>
Fringe Benefits Estimated at 26.70%	22,965,399
Total Salary plus Fringes	<u>\$108,978,131</u>

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2022. 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 2B - FY 2023  
SCHOOL OF MEDICINE FACULTY SERVICES  
SEED PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER**

<u>Department</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Anesthesiology	\$ -	\$ -	\$ -	\$ -
Critical Care	950,029	902,528	857,401	814,531
Dermatology	52,546	49,919	47,423	45,052
Diagnostic Radiology	-	-	-	-
Emergency Room	-	-	-	-
Family Medicine	-	-	-	-
Infection Control / Epidemiology	-	-	-	-
Medicine	12,936,713	12,289,877	11,675,383	11,091,614
Neurology	1,147,803	1,090,413	1,035,892	984,098
Neurosurgery	3,933,841	3,737,149	3,550,292	3,372,777
Ob/Gyn	852,452	809,829	769,338	730,871
Oncology	562,844	534,702	507,967	482,568
Ophthalmology	-	-	-	-
Orthopedics	1,676,779	1,592,940	1,513,293	1,437,628
Otorhinolaryngology	1,010,628	960,097	912,092	866,487
Pathology	-	-	-	-
Pediatrics	3,296,281	3,131,467	2,974,894	2,826,149
Psychiatry	-	-	-	-
Radiation Oncology	-	-	-	-
Shock Trauma	-	-	-	-
Surgery	5,518,789	5,242,850	4,980,707	4,731,672
Total Salary	<u>\$ 31,938,705</u>	<u>\$ 30,341,770</u>	<u>\$ 28,824,681</u>	<u>\$ 27,383,447</u>
Fringe Benefits Estimated at 26.70%	<u>8,527,634</u>	<u>8,101,253</u>	<u>7,696,190</u>	<u>6,873,245</u>
Subtotal Salary plus Fringes	<u>\$ 40,466,339</u>	<u>\$ 38,443,023</u>	<u>\$ 36,520,871</u>	<u>\$ 34,256,692</u>
<i>(Less)- Prior Year Seed Reduction</i>	<u>\$ (1,981,080)</u>			
<b>Total Salary plus Fringe- After Seed Reduction</b>	<u><u>\$ 38,485,259</u></u>			

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2022. 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.

Physician Service Contract (PSC) seed funding for fiscal year 2023 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.

Fiscal year 2023 through fiscal year 2026 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

**SCHEDULE 2C - FY 2023**  
**SCHOOL OF MEDICINE FACULTY SERVICES**  
**BASE PAYMENTS FROM UNIVERSITY OF MD, MIDTOWN**

Department	PSC: Total Base Support
Anesthesiology	\$ 1,538,515
Critical Care	667,712
Dermatology	-
Diagnostic Radiology	890,000
Emergency Room	2,255,512
Family Medicine	-
Infection Control / Epidemiology	44,230
Medicine	8,215,488
Neurology	439,605
Neurosurgery	-
OB/Gyn	-
Oncology	-
Ophthalmology	1,203,781
Orthopedics	767,263
Otorhinolaryngology	218,229
Pathology	301,027
Pediatrics	22,047
Psychiatry	2,462,103
Radiation Oncology	-
Shock Trauma	-
Surgery	450,898
Total Salary	19,476,409
Fringe Benefits Estimated at 26.70%	5,200,201
Total Salary plus Fringes	\$ 24,676,610

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2022. 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. 2023

PHARMACY SCHOOL/MEDICAL SYSTEM CORPORATION

PAYMENTS FROM MEDICAL SYSTEM CORPORATION TO SCHOOL OF PHARMACY

	<u>Amount</u>
Faculty	\$ 476,687
Staff	\$ 516,272
Residents	\$ 184,200
Fringe Benefits @ 26.7% (faculty), 37.3% (staff), 19.5% (resident)	<u>\$ 355,764</u>
<u>Subtotal</u>	\$ 1,532,923
Operating Expense - General Operating Residents	\$ 2,901
TOTAL	<u><u>\$ 1,535,824</u></u>

SCHEDULE 4 - F.Y. 2022 DENTAL SCHOOL FACULTY SERVICES  
PAYMENTS FROM MEDICAL SYSTEM CORPORATION

Department	Payment
Dental School - UMMS	\$ 480,693
Fringe Benefits @ 26.7%	<u>\$ 128,345</u>
TOTAL	\$ 609,038

SCHEDULE 5 – FY 2023  
COMPENSATION FOR SPACE USAGE  
WITHIN OTHER PARTY'S FACILITIES

Net owed to UMMC by UMB: \$1,157,304

## SCHEDULE 6 – F. Y. 2023

UNIVERSITY OF MARYLAND  
MEDICAL SYSTEM CORPORATION SUBSIDIARIES

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

Annual Contract (FY 2023)  
 Schedule 7  
 MISSION SUPPORT AGREEMENT  
 EXHIBIT A

**TARGET AREAS FOR FISCAL YEAR 2023 AND MISSION SUPPORT PAYMENT\***

Target Area	Projected Funds Required	Specific Use of Funds
Health Science Research Facility III	\$5.2 Million	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 FY23.
Heart and Vascular	\$500,000	Remaining out of pocket patient hospital costs if not covered by FY 22 Mission Support Payment.

\*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 2023 is agreed to and approved by the undersigned officers of the parties, intended to amend the Mission Support Agreement by adding this Exhibit A.

[SIGNATURES ON FOLLOWING PAGE]

Annual Contract (FY 2023)  
Schedule 7  
MISSION SUPPORT AGREEMENT  
EXHIBIT A

UNIVERSITY SYSTEM OF MARYLAND BALTIMORE

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

\_\_\_\_\_ Date

UNIVERSITY SYSTEM OF MARYLAND – SCHOOL OF MEDICINE

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

\_\_\_\_\_ Date

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

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

\_\_\_\_\_ Date

UNIVERSITY OF MARYLAND MEDICAL CENTER LLC.

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

\_\_\_\_\_ Date

EXHIBIT A - F.Y. 2023

MEDICAL SYSTEM CORPORATION  
PRE-CLINICAL EDUCATION REQUIREMENTS

(applicable to UMMC, ("UMROI"), 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
- E. COVID-19

IV. Documentation

UMB shall maintain documentation that students assigned to Affiliated Sites have satisfied the above requirements and provide a copy of the documentation to the Affiliated Site upon request.

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**EXHIBIT B - F.Y. 2023**

**Pursuant to the terms of the Medical System Agreement (also referred to herein as the "Annual Contract") entered into between USM and UMMS, for the fiscal year referenced above, the parties agree to provide the following service.**

**SERVICES PROVIDED BY UMB TO UMMC**

**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 of trash cans is not included.

Using plows or snow blowers, 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 the case of extraordinary snow events (generally six inches and above) UMB will bring in outside snow removal contractors and/or call in UMB staff on overtime.

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

UMMC will reimburse UMB, per event, for an appropriate share of the cost of contractors and/or overtime if UMMC requires services of such contractors and/or additional staffing. UMMC and UMB will determine a cost sharing formula based on the size of the cleared ambulance bays, dock areas, roadways and walks adjacent to UMMC as compared to the size of the total cleared area at UMB.

**MAIL SERVICES:**

UMB will perform delivery and pick up of mail to and from UMMC central mailroom.



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**UMB PUBLIC SAFETY SERVICES:**

- A. Police Services.** UMB will provide supplemental UMB Police Department services for UMMC, supporting the UMMC Security Operations. The UMB Chief of Police or designee and the UMMC Chief Operating Officer, or designee, 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 The Joint Commission's 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 Complex and some adjacent properties that are owned or leased by UMMC or UMMS or other UMB, UMMS and UMMC affiliates.

UMB shall provide 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 ("Emergency Department Officer").

The duties and responsibilities of the police officer integrated into the campus patrol will include but will not be limited to serving to protect the safety and security of UMMC staff, patients and visitors, in part by 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 Lexington Market.

"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.

"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.

With respect to the Emergency Department Officer's obligations in the UMMC Emergency Department, the UMMC Emergency Department includes the waiting

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areas and treatment areas of the Adult Emergency Department (AED) and the Pediatric Emergency Department (PED). The Emergency Department Officer will be assigned to a stationary fixed post in the UMMC 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. Attendance is not required on days and times the officer is 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, and acting at all times in the best interests of the University and UMMC.
- Upon request of UMMC Security, providing assistance 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.

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- 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 Baltimore City Police are expected to be the primary responding law enforcement unit for most special incidents. The UMB Police Department and the Baltimore City Police will coordinate responses in accordance with any protocols developed by the Baltimore City Police, UMB Police Department, 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

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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. Baltimore City Police Involvement.** UMMC will seek the emergency or non-emergency services of the Baltimore City Police Department (BCPD) in the event UMMC determines Baltimore City police services are needed inside UMMC or UMMS buildings, or on UMMC or UMMS property, to back up the UMB police officer in the Emergency Department, or otherwise. The UMB Police will respond upon the request of the BCPD in emergency situations.
- C. Incident and Crime Reporting.** The UMB Chief of Police or designee will advise the UMMC Director of Security of any incidents that occur on the UMB campus, of which the UMB Police Department is aware, 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,
- D. Records.** 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.

The UMB Police Department shall also 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:

4. Number of calls to BCPD for support for emergency service, and number of

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calls for support for non-emergency service

5. Nature of calls
6. Number of arrests
7. Number of persons arrested by sex and age
8. Number of noncriminal calls
9. Nature of assistance given
10. Location of reported incidents
11. Unit response time
12. Amount of time spent handling calls for service

**E. Payment.** 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.

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 D.1 and D.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.

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

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- F. Civil Action Representation.** 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 UMB police officer or UMB 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 UMB police officer or UMB 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 – F.Y. 2023**  
**UMB Environmental Health and Safety (EHS) Services**

UMB 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. UMB EHS also provides *Hazardous Chemical Waste Management Program* support under this MOU.

**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. 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 biannual 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 (CMS) 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 committee meetings including the oversight RSC and Human Use Subcommittee (HUSC) as well as support Radioactive Drug Research Committee (RDRC) 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 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 (NVLAP) 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 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
  - 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 University of Maryland Baltimore 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, 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 As-Low-As-Reasonably-Achievable (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. UMMC is responsible for facility preparation and site decontamination. This applies to the following therapeutic procedures:
  - a) Iodine – 131 Abalation procedures. The support described above will be provided for up to 5 procedures in the contract period. Support for procedures in excess of 5 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 60 procedures in the contract period. Support for procedures in excess of 60 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 65\$ per hour for technical staff and \$100 hour for the Radiation Safety Officer.
- 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 that 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 at a rate of \$100 per hour. This will be billed separately and is not included in the base cost of this exhibit.
- 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.

**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 and 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, the Medical System Corporation 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.

#### **Contingencies.**

It is recognized by both parties that additional services may be needed during the contract term. 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 contract term, UMB EHS is asked by UMMC to provide additional or new services, or UMB 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.



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Convening Closed Session

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** June 9, 2022

**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.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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UNIVERSITY SYSTEM  
*of* MARYLAND

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

Date: June 9, 2022  
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)  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)  To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14)  Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (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:

The awarding of new contracts for housekeeping services and food services. The proposed FY 2024 Capital Budget submission and potential adjustments to the submission.

REASON FOR CLOSING:

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)).