



BOARD OF REGENTS
Special Board Meeting
Zoom
May 19, 2025

AGENDA FOR PUBLIC SESSION

4:00 P.M.

Call to Order

Chair Gooden

I. Committee Reports

a. Committee of the Whole

- i. [Resolution Authorizing Institutions to Take
Certain Personnel Actions in FY 2026](#) (action)

Chair Gooden

2. [Reconvene to Closed Session](#) (action)

Chair Gooden

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Resolution Authorizing Institutions to Take Certain Personnel Actions in FY 2026

COMMITTEE: Committee of the Whole

DATE OF COMMITTEE MEETING: May 19, 2025

SUMMARY: Facing significant reductions in both state and federal funding, USM institutions are under increased fiscal pressure as they prepare for Fiscal Year 2026. The Maryland General Assembly, responding to a projected \$3 billion state budget deficit, approved a budget that includes widespread reductions across state government. As part of this action, USM's state-supported operating budget was significantly reduced. Simultaneously, institutions are experiencing declines in federal revenue, including the cancellation of existing contracts and grants, a pause in new grant activity and reductions in the reimbursement rate for facilities and administrative costs associated with federal contracts and grants.

While institutions are pursuing a range of cost-saving strategies and operational efficiencies, some may find it necessary to implement personnel-related actions. The attached resolution authorizes institutions to develop and implement a furlough or temporary salary reduction plan for FY 2026, subject to review by the Chancellor and consultation with appropriate employee organizations. The resolution requires that any such plans meet certain conditions, including:

- The plan must achieve savings in an amount that contributes meaningfully to the institution's financial stability;
- Employment-based benefits will be reduced only to the extent required by law.
- The plan must take employee compensation levels into account in determining the number of furlough days or salary reduction amounts.
- The plan must be consistent with requirements of the Fair Labor Standards Act, which differ for nonexempt employees vs. exempt employees and faculty, as well as other considerations such as actual cost savings and visa limitations.

ALTERNATIVE(S): The Board could elect to modify the recommended principles in the attached resolution or decline to issue the resolution.

FISCAL IMPACT: The impact will vary by institution.

CHANCELLOR'S RECOMMENDATION: That the Board of Regents adopt the attached resolution authorizing the presidents of the institutions, following review by the Chancellor and in consultation with appropriate employee organizations, to develop and implement a furlough and/or temporary salary reduction plan for FY 2026 in accordance with the conditions set forth in the resolution.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

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**RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND
AUTHORIZING FURLOUGHS AND TEMPORARY SALARY REDUCTIONS OF EMPLOYEES FOR FY 2026**

(Approved by the Board of Regents, _____)

WHEREAS, the State of Maryland is experiencing a significant budget shortfall, prompting widespread reductions in state appropriations, including a significant cut to the University System of Maryland's (USM) operating budget for Fiscal Year 2026; and

WHEREAS, USM institutions are also experiencing revenue losses due to reductions in federal funding, including the cancellation of existing contracts and grants and a pause in the initiation of new grant activity, as well as reductions in facilities and administrative reimbursement rates; and

WHEREAS, USM institutions are actively pursuing cost-saving measures and operational efficiencies to address these challenges, with a continued focus on preserving core academic programs and essential student services; and

WHEREAS, the significant decline in both state and federal funding has placed increased pressure on institutional operating budgets and requires ongoing fiscal discipline and prioritization; and

WHEREAS, USM institutions are considering a range of cost containment strategies in response to current fiscal challenges, which may include, where necessary, personnel actions such as furloughs or temporary salary reductions, along with continued efforts to identify operational savings and efficiencies; and

WHEREAS, personnel-related expenses comprise the majority of the USM's budget, and responsible budget management may require permanent and temporary actions to stabilize institutional finances while protecting the delivery of instruction and essential student services; and

WHEREAS, the Board of Regents is authorized under the Annotated Code of Maryland, Education Article, Sections 12-110 and 12-111, to establish personnel policies for the USM and its institutions; and

WHEREAS, the Board of Regents has determined that it is in the best interest of the USM institutions, the USM Office, and the USM Regional Higher Education Centers to authorize the option of personnel actions such as furloughs, temporary salary reductions, or equivalent salary-related measures to support institutional financial management; and

WHEREAS, the Board of Regents regrets that such measures may be necessary;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Regents authorizes the Presidents of the USM institutions, with the review of the Chancellor and in consultation with appropriate employee organizations, and the Chancellor on behalf of the USM Office, to develop and implement a furlough or temporary salary reduction plan for Fiscal Year 2026 (the "Plan"), consistent with the following principles:

- A. The Plan may include institutional closures for a limited number of days to achieve cost savings, provided that essential services—including class schedules, critical student services, and patient care—are maintained;
- B. If a furlough plan is implemented, accrued annual, holiday, or personal leave may be used only if the institution's closure days exceed an employee's furlough obligation. Otherwise, such leave may not be substituted for furlough days;
- C. If a salary reduction plan is implemented, accrued leave may not be used in lieu of the salary reduction;
- D. Overtime or compensatory time may not be granted to offset furlough days;
- E. Under federal law, employees may not work on a furlough day, whether on-site or remotely, except in the event of an emergency;
- F. Employment-based benefits will be reduced only to the extent required by law;
- G. The Plan may allow for exclusion of certain individuals as required by law or institutional needs; and
- H. The Plan must comport with requirements of the Fair Labor Standards Act with respect to all employee groups, recognizing that this may require different actions for nonexempt employees and exempt employees and faculty .

BE IT FURTHER RESOLVED THAT any furlough or temporary salary reduction plan developed by an institution shall be submitted to the Chancellor for advance review and shall:

- A. Reflect the best interests of the institution, considering impacts to faculty and staff;
- B. Be developed in consultation with appropriate employee organizations and consistent with shared governance principles;
- C. Achieve cost savings that contribute meaningfully to the institution's financial stability;
- D. Mitigate adverse effects on employees by considering compensation levels when determining the number of furlough days or the amount of salary reduction; and
- E. Ensure that any temporary salary reductions for Fiscal Year 2026 conclude no later than the end of Fiscal Year 2026.

BE IT FINALLY RESOLVED THAT the Plan shall include any implementation procedures deemed necessary by the Chancellor and shall be implemented within the schedule set forth in the Plan.



STATEMENT REGARDING CLOSING A MEETING
OF THE USM BOARD OF REGENTS

Date: May 19, 2025
Time: Approximately 4:00 p.m.
Location: Conference Call

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:

1. Action on a contract for an institution media buying services; and
2. Discussion with legal counsel about current and pending federal litigation and implications of recent federal actions.

REASON FOR CLOSING:

1. 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.(§3-305(b)(14)).
2. To maintain confidentiality and attorney client privilege with respect to communications with, and advice from, legal counsel and discussions with counsel regarding litigation matters (§3-305(b)(7) and (8)).