



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS
COMMITTEE ON FINANCE

November 17, 2016
UMUC

Minutes of the Public Session

Regent Pevenstein called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:10 a.m. Regent Pevenstein read the *Convening in Closed Session statement* citing State Government Article Section 3-305 of the Open Meetings Act to discuss issues specifically exempted in the Act from the requirement for public consideration. Regent Gossett moved and Regent Neall seconded to convene in closed session. In response to the motion, the Committee members voted unanimously to convene in closed session at 10:10 a.m. for the reasons stated on the *Convening in Closed Session statement*. The session adjourned at 10:25 a.m.

The Committee reconvened in public session at 10:38 a.m. Regents participating in the session included: Mr. Pevenstein, Mr. Attman, Mr. Gossett, Mr. Holzapfel, and Mr. Neall. Mr. Rauch participated by phone. Also present were: Mr. Vivona, Ms. Doyle, Ms. Moultrie, Mr. Sadowski, Assistant Attorney Generals Bainbridge, Palkovitz and Salsbury, Dr. Thompson, Mr. Appleton, Mr. Danik, Mr. Oster, Ms. Rhodes, Ms. Schaefer, Mr. Shoenberger, Mr. Lockett, Mr. Pyles, Ms. Rehn, Dr. Rankin, Mr. Page, Ms. Denson, Mr. McFadden, Mr. Balakrishnan, Mr. Hickey, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

1. Opening Fall 2016 Enrollment and FY 2017 Estimated Full-time Equivalent (FTE) Report

Dr. Muntz presented the fall enrollment report to the committee. As background, the report provides the overall headcount and FTE for each institution, and makes note of any changes or trends. Enrollment changes may impact revenue, resource usage, and institutional strategic goals. The fall report compares the same point in time each year.

Dr. Muntz indicated that the USM enrolled one of the largest freshmen cohorts in history that reflected strong demand and increased enrollment primarily at Bowie, Salisbury, and College Park. These first-time full-time students have the largest impact on an institution's reputation. Looking one year out, the FTE and headcount projections align with actuals for most institutions as well as for USM as a whole, which means that overall, the USM achieved the growth that was planned. Dr. Muntz explained that the USM is a stratified higher education system, and as such, growth is not uniform for all USM campuses. Some of the institutions have high demand and high retention which contributes to the enrollment increases, whereas others have plans to grow but face a number of challenges in attracting new students and retaining the ones enrolled. Over a 10-year period, the aggregate enrollment growth—excluding UMUC—equaled an institution the size of UMBC. To summarize, there is very slight growth at the traditional campuses, for a mix of reasons; UMUC's bump up includes FTE now captured due to "one campus" reporting changes; and a decline in community college enrollments may result in decreases of future transfer students.

The Report was accepted for information purposes.

[The presentation is available online <http://www.usmd.edu/regents/agendas/fc20161117>]

2. Coppin State University: Facilities Master Plan Update

President Thompson presented the master plan, opening with a statement of the University's commitment to offering quality undergraduate and graduate programs in teacher education, liberal arts, health professions, technology, and STEM disciplines. She reviewed Coppin's strategic initiatives, program offerings, sustainability initiatives, and enrollment. Discussed in the plan were renovations to existing academic facilities, including the Percy Julian Science Center, Grace Hill Jacobs Classroom and Parlett Moore Library; new facilities including a living & learning facility and a creative & performing arts center; and infrastructure improvements such as the electrical feeder update project.

Regent Pevenstein thanked Dr. Thompson and her staff, and then reminded committee members that the plan update would be placed on the agenda for consideration for approval at their next meeting.

The Report was accepted for information purposes.

[The presentation is available online <http://www.usmd.edu/regents/agendas/fc20161117>]

3. Committee Charge

Regent Pevenstein explained that the Board's Organization and Compensation Committee had asked that each Board committee review and update its charge as appropriate. The Charge of the Finance Committee is located in Article IX, Section 5 of the by-laws. The amended document provides a more comprehensive statement of the portfolio of the Finance Committee. Regent Pevenstein pointed out that many of the items—campus room and board charges; human resources policies and salary structures; and the review of facilities master plans, for example—are items that the committee has handled for decades, but were never formalized in the language. Added to this core, are several items that—for lack of a better term—did not “exist” or were not recognized at the point in time in which the charge was initially drafted. A few examples of these items include: the review of public/private partnerships and initiatives covered under the Board's HIEDA policy; aggregated energy and power purchase agreements and sustainability goals; and the receipt of ICA financial reports. In response to a question about the assignment of responsibilities in the areas of human resources and compensation, Mr. Vivona responded that Committee on Organization and Compensation handles matters of executive compensation, and those falling under the Board's highly compensated personnel policy, while most staff matters fall under the purview of the Finance Committee.

The Finance Committee recommended that the Board of Regents approve the amended charge as presented.

(Regent Pevenstein moved recommendation, seconded by Regent Attman; unanimously approved)

4. University System of Maryland: Resolution Regarding Designation of Signatories in Connection with Auxiliary Facility and Tuition Revenue Bonds

Regent Pevenstein described the item as a housekeeping matter, intended to streamline the revenue bond issuance process. If approved, the resolution would permit, when necessary, the Vice Chancellor for Administration and Finance to sign the majority of documents associated with each bond issuance. The Chancellor will still be required to sign the system order—the critical document in the bond issuance process—and one that is less time sensitive than many of the other documents. This action will leave the ultimate control of the bond issuance in the hands of the Chancellor, but provide flexibility with other necessary signatures during short turn-around windows of time. It was noted that the Resolution was prepared by bond counsel at Miles & Stockbridge and has been reviewed by the Attorney General’s Office.

The Finance Committee recommended that the Board of Regents approve the resolution to streamline administrative steps to permit additional flexibility with respect to obtaining signatures when issuing bonds, as presented.

(Regent Pevenstein moved recommendation, seconded by Regent Gossett; unanimously approved)

5. Proposed Revision to Board of Regents Policy VIII-14.00— Policy on Investments and Loans to Maryland-based Businesses that are Affiliated with USM Institutions

Regent Pevenstein stated that the Board’s Policy on Investments, initially approved in February 2014, had been revised to accommodate expanded criteria for investments under the newly established USM Early Stage Investment Fund. The proposed revisions would permit investment in companies that are founded by USM faculty, students, or recent graduates, along with companies located in USM incubators, research parks, or RISE Zones. The proposed revisions will also strengthen provisions related to conflicts of interest, approvals, and reporting in the initial policy. Regent Attman enthusiastically referred to the initiative as an exciting undertaking by the System which will go a long way toward keeping young companies in the State of Maryland. Jim Hughes described the effort as one of several underway in the State to address resource needs of young companies in the State of Maryland.

The Finance Committee recommended that the Board of Regents approve the revisions to the Policy on Investments and Loans to Maryland-based Businesses that are Affiliated with USM Institutions, as presented.

(Regent Attman moved recommendation, seconded by Regent Gossett; unanimously approved)

6. University of Maryland, Baltimore: Demolition of three structures located at 114 – 120 North Greene Street, Baltimore, Maryland

Regent Pevenstein summarized the item. The University is seeking approval to demolish three structures located on N. Greene Street in-between W. Fayette and Lexington Streets. The buildings are currently vacant and have never been occupied by the University. Regent Pevenstein added that they are costly to maintain and stabilize.

The Finance Committee recommended that the Board of Regents approve the University’s request for the demolition of the structures located at 114 – 120 North Greene Street, Baltimore, Maryland.

(Regent Gossett moved recommendation, seconded by Regent Attman; unanimously approved)

7. University of Maryland, Baltimore County: Food Service Contract Amendment

Regent Pevenstein indicated that UMBC is seeking to exercise the remaining 1-year option and extend for five more years a contract with its current contractor, the Chartwells Division of Compass Group USA. The contractor submitted an unsolicited proposal to the campus for a 5-year extension which included a capital investment of four million dollars. After review by the campus leadership and discussions with many student association groups, UMBC would like to proceed with amending the current contract, valued at approximately \$76.8 million.

The Finance Committee recommended that the Board of Regents approve for the University of Maryland, Baltimore County to amend the contract with Compass Group USA, Inc. by and through its Chartwells Division through June 30, 2023 in the 6-year amount of approximately \$76,800,000 to commence on July 1, 2017.

(Regent Pevenstein moved recommendation, seconded by Regent Gossett; unanimously approved)

8. Towson University: Increase Authorization for University Union Addition and Renovation

9. Towson University: Increase Authorization for Recreation Building Phase 2—Burdick Addition

10. Towson University: Increase Authorization for Residence Tower Renovation

Regent Pevenstein asked Mr. Oster, vice president at Towson University, to address the final three items on the agenda. In the case of the Union, Mr. Oster explained that the University wants to build a “welcome center” in the facility, adding about 8,000 gross square feet. Currently, the enrollment marketing function is tucked away on the 4th floor of the West Village Commons, which is not an ideal place on campus versus the central location of the Union. During the renovations of the second two projects, Mr. Oster acknowledged that they ran into some issues during construction, including rock, which added a significant cost. For the residence tower, the University desires to improve the outer skin on the building in an effort to make it a more efficient and attractive building.

The Finance Committee recommended that the Board of Regents approve for Towson University an increase in project authorization, as detailed in the individual agenda items, for each of the three projects.

(Regent Gossett moved recommendation, seconded by Regent Attman; unanimously approved)

The meeting was adjourned at 11:48 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance



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Regent Pevenstein called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session at 10:10 a.m. in Room 1105.

Regents participating in the session included: Mr. Pevenstein, Mr. Attman, Mr. Gossett, Mr. Holzapfel, and Mr. Neall. Also taking part in the meeting were: Mr. Vivona, Ms. Doyle, Assistant Attorney Generals Bainbridge, Palkovitz and Salsbury, Mr. Hickey, Ms. Denson, and Ms. McMann.

1. The committee considered and unanimously recommended the acquisition of property in the City of Salisbury (§3-305(b)(3)). (moved by Regent Gossett; seconded by Regent Neall)
2. The committee considered and unanimously recommended awarding a contract for online digital advertising (§3-305(b)(14)). (amended recommendation moved by Regent Pevenstein; seconded by Regent Gossett)

The meeting was adjourned at 10:25 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance