



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS
COMMITTEE ON FINANCE

September 12, 2019
University of Maryland Global Campus

Minutes of the Public Session

Regent Attman called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:52 a.m. Regent Attman 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 Attman moved and Regent Gossett seconded to convene in closed session. In response to the motion, the Committee members voted unanimously (yea=6; nay=0; abstaining=0) to convene in closed session at 10:52 a.m. for the reasons stated on the *Convening in Closed Session statement*. The session adjourned at 12:11 p.m.

The Committee reconvened in public session at 12:13 p.m. Regents participating in the session included: Mr. Attman, Ms. Gooden, Mr. Gossett, Mr. Holzapfel, Mr. Neall, and Mr. Rauch. Also present were: Chancellor Caret, Ms. Herbst, Ms. Wilkerson, Dr. Boughman, Assistant Attorneys General Bainbridge and Langrill, Mr. McDonough, Mr. Colella, Ms. Aughenbaugh, Mr. Lowenthal, Ms. Schaefer, Mr. Wyden, Mr. Beck, Mr. Hickey, Mr. Page, Ms. Denson, Ms. West, Dr. Spicer, Mr. Eismeier, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

2. Amendment to Fiscal Year 2020 Schedule of Tuition and Mandatory Fees to recognize Towson University Undergraduate Differential Pricing Tuition Rates

Regent Attman introduced the item, a technical modification to the tuition schedule. He reminded everyone that in June, the Board of Regents approved Towson University's request to charge market-based, differential pricing in three areas of study. Those areas include the College of Business and Economics, the Department of Nursing, and the Department of Information and Computer Science. He stated that the reason for this item is to incorporate those rates into the previously approved Schedule of Tuition and Mandatory Fees, in an effort to be fully transparent with regard to the new pricing model set to go into effect in January. He added that at time of approval, it was noted that all existing students would be "grandfathered" and thus not subject to the differential pricing.

The Finance Committee recommended that the Board of Regents approve the amended tuition and mandatory fees schedule as presented. (Regent Attman moved recommendation, seconded by Regent Gooden; unanimously approved)

Vote Count = YEAs: 5 NAYs: 0 Abstentions: 0

3. UMBC: New Health Services and Counseling Building

Regent Attman invited Vice President Schaefer to address the group. She explained that the University’s counseling and health services are currently spread throughout a number of trailers that have reached their 30-year lifespan. She emphasized that it is considered a best practice is to provide these important student services under a single roof. Regent Attman concurred and underscored that student health and safety is priority number one for the Board of Regents. Students should have access to good quality health facilities and counseling. Regent Neall, the designated regent representative for UMBC, also voiced his support of the project.

The Finance Committee recommended that the Board of Regents approve the funding of a new Health Services and Counseling Building through the use of up to \$12,000,000 of University System of Maryland revenue bonds, and \$5,000,000 of UMBC institutional funds as described in the item. (Regent Attman moved recommendation, seconded by Regent Neall; unanimously approved)

Vote Count = YEAs: 6 NAYs: 0 Abstentions: 0

4. University System of Maryland: Amendment to the Forty-First Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds

Regent Attman stated that the bond resolution is related to the prior action item. Vice Chancellor Herbst and her team worked with UMBC to develop the project’s funding plan, which includes \$12 million in auxiliary revenue bonds. The amendment formalizes the Board’s approval of the use of System revenue bond proceeds for a portion of the UMBC project. Regent Attman explained that an action and formal approval is required by the System’s Indenture of Trust, an agreement with a trustee on behalf of purchasers and holders of System revenue bond debt that covers all the uses of proceeds of the debt. The System’s finances appear strong, based on clear and early indications of financial results, along with the recent credit rating agency actions to affirm the USM’s current Aa1 and AA+ bond ratings. Regent Attman added that the amendment would not impact the USM bond rating.

The Finance Committee recommended that the Board of Regents approve the Amendment to the Forty-First Bond Resolution. (Regent Attman moved recommendation, seconded by Regent Gossett; unanimously approved)

Vote Count = YEAs: 6 NAYs: 0 Abstentions: 0

5. University of Maryland, College Park: New Cole Field House

Regent Attman stated that the University is seeking approval of a \$14.3 million increase in the funding authorization for the new Cole Field House facility. Vice President Colella stated that this action would bring to conclusion the athletic component of the project. He pointed out that as is the case with all of

the USM projects, the campus is experiencing a hyper-inflated construction market. He indicated that the campus now has bids in hand.

The Finance Committee recommended that the Board of Regents approve the request for the University of Maryland, College Park to increase the funding authorization for New Cole Field House by \$14,300,000, from \$195,700,000 to \$210,000,000. (Regent Attman moved recommendation, seconded by Regent Gossett; unanimously approved)

Vote Count = YEAs: 6 NAYs: 0 Abstentions: 0

6. Committee Charge

Regent Attman summarized the item. The Board’s Organization and Compensation Committee has asked that each Board committee review and update its charge as appropriate. He noted that this is a good opportunity to reflect on what the committee is doing and should be doing. Regent Gooden recommended that as a result of the new legislation, the charge be updated to specify that at least one member have financial expertise and experience. Regent Attman and others agreed. He then offered a suggestion with regard to the number of committee meetings. He proposed that instead of stating that the committee meets six times per year, the language should be revised to indicate “as needed.” Following a suggestion to set a minimum number of meetings, the members agreed that the committee should meet no fewer than four times per year.

The Finance Committee recommended that the Board of Regents approve the proposed committee charge with the amended language as noted in the document. (Regent Attman moved recommendation, seconded by Regent Gossett; unanimously approved)

Vote Count = YEAs: 6 NAYs: 0 Abstentions: 0

7. Board Statement of Values and Expectations on Collaboration and Cooperative Efforts in Acquiring and Implementing New Information Technology and Upgrading Business Processes

The status update was accepted for information purposes.

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance



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September 12, 2019

University of Maryland Global Campus

Minutes of the Closed Session

Regent Attman called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session at 10:52 a.m. in rooms 2100/2101/2102 of the College Park Marriott Hotel & Conference Center.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Mr. Gossett, Mr. Holzapfel, Mr. Neall, and Mr. Rauch. Also taking part in the meeting were the following: Chancellor Caret, Ms. Herbst, Dr. Boughman, Mr. McDonough, Assistant Attorneys General Bainbridge and Langrill, Ms. Wilkerson, Mr. Beck, Mr. Hickey, Mr. Page, Ms. Denson, Ms. West, and Ms. McMann. Mr. Gallo, Dr. Loh, Dr. Jarrell, Dr. Rankin, and Mr. Colella were present for a portion of the session.

1. The committee discussed the investment of the Common Trust Fund (§3-305(b)(5)).
This item was presented for information purposes; there were no votes on this item.
2. The committee discussed the proposed FY 2021 Capital Budget submission and potential adjustments to the submission (§3-305(b)(13)).
This item was presented for information purposes; there were no votes on this item.
3. The committee discussed the proposed FY 2021 Operating Budget submission and potential adjustments to the submission (§3-305(b)(13)).
This item was presented for information purposes; there were no votes on this item.

The session was adjourned at 12:11 p.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance