



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

November 5, 2020

Meeting via Video and Conference Call

Minutes of the Public Session

Regent Attman welcomed those on the video and teleconference and called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:32 a.m.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Mr. Gonella, Mr. Holzapfel, Mr. Neall, Mr. Pope, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Mr. McDonough, Assistant Attorney General Langrill, Dr. Khademian, Ms. Amyot, Mr. Colella, Mr. Lockett, Mr. Lowenthal, Mr. Pasquariello, Ms. Rehn, Ms. Rhodes, Ms. Schaefer, Mr. Wyden, Ms. Washington, Mr. Miller, Mr. Beck, Ms. Denson, Mr. Eismeier, Dr. Foster, Mr. Hickey, Mr. Muntz, Ms. Norris, Mr. Page, Ms. West, Ms. McMann, and other members of the USM community and the public.

Regent Attman greeted those in attendance. He proceeded to recognize and welcome Dr. Anne Khademian, the recently appointed Executive Director of the Universities at Shady Grove and USM Associate Vice Chancellor for Academic Affairs. Dr. Khademian was recruited as the result of a national search conducted on behalf of the USM. She most recently served as a Presidential Fellow in Virginia Tech's Research Center in Northern Virginia's Arlington County. Prior to that, Dr. Khademian served as professor and director of Virginia Tech's School of Public and International Affairs, which she led through a period of significant growth and transformation, including the addition of new degree programs, increased student enrollment, and the forging of new partnerships and outreach initiatives, both globally as well as locally. Regent Attman added that Dr. Khademian and her family are long-time Montgomery County residents.

1. University of Maryland, Baltimore: Renovation of Building 1 for School of Nursing Expansion at The Universities at Shady Grove (action)

Regent Attman stated that the University is seeking approval to design and construct a \$7.5 million renovation project to expand the current program for the School of Nursing in Building 1 at USG. The Nursing Program currently occupies approximately 15,000 square feet in Building 1. The project will expand the School of Nursing's space in the building to approximately 27,000 square feet. Regent Attman pointed out that the UMB program at Shady Grove has been quite successful and their programs are in high demand. With an allocation of funding provided through the Workforce Development Initiative, the School of Nursing plans to grow to 100 students over 3 years. As detailed in the item, funding would be aggregated from a variety of sources, including a combination of donor funds and/or

debt financing, Academic Revenue Bonds/Capital Facilities Renewal Funds, USG operating funds. and Unrestricted Fund Balance.

The Finance Committee recommended that the Board of Regents approve the Universities at Shady Grove Building 1 School of Nursing Expansion project for the University of Maryland, Baltimore as described in the item.

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

Vote Count = YEAs: 7 NAYs: 0 Abstentions: 0

2. Towson University: Increase Authorization for New Science Complex (action)

Regent Attman summarized the item. The University is seeking an increase in the project authorization for its major new science complex that is nearing completion. The new facility is important to meet the high demand on campus for STEM teaching labs and research space. It is anticipated that over 10,000 Towson students will take classes in the new facility each year—many to fulfill core curriculum requirements. The \$8.2 million increase will be funded from Towson’s plant funds and will both replenish the contingency and maintain the current scope of work and schedule. In response to a question, Mr. Lowenthal, Vice President and CFO, indicated that the original contingency had been spent, and this action would replenish it to a level of \$1 million. Mr. Miller, Senior Project Manager with the UMB Service Center, reminded everyone of the large amount of rainfall during the spring, which caused pooling and impacted the schedule. Mr. Lowenthal added that there had been great collaboration with the UMB Service Center on the project.

The Finance Committee recommended that the Board of Regents approve for Towson University an increased project authorization of \$196 million for the New Science Complex as described in the item.

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

Vote Count = YEAs: 7 NAYs: 0 Abstentions: 0

3. University System of Maryland: Amendment to the Forty-Second Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds and Associated Conversion of Cash-Funded Projects to Revenue Bond Funding (action)

Regent Attman explained that the University System has been taking steps to protect and maintain its cash balances longer, as it works through the financial stress caused by the pandemic. This item represents one of those many steps. He stated that Vice Chancellor Herbst and her financial team had been working through a process to limit the use of reserves to offset revenue shortfalls—through a balance of permanent spending reductions, one-time spending cuts and deferrals, and the use of reserves. Vice Chancellor Herbst indicated that she and her team had spoken with each institution in an effort to review their authorized cash-funded capital projects—which might be eligible to be converted to debt financing—and seek opportunities for cash conservation. One outcome of this process was the identification of approximately \$88 million of projects that could be debt financed. Those projects are in the amendment to the bond resolution.

The Finance Committee recommended that the Board of Regents approve the Amendment to the Forty-Second Bond Resolution and the associated conversion of cash-funding of selected capital projects to revenue bond funding, and the authority to spend cash immediately if needed to be reimbursed from the proceeds of the next bond issue, anticipated for February 2021.

(Regent Attman moved recommendation, seconded by Regent Pope; unanimously approved)
Vote Count = YEAs: 7 NAYs: 0 Abstentions: 0

4. University of Maryland, Baltimore County: Real Property Transfer (information)

Regent Attman provided a summary of the information item, involving the recent transfer of a 4.5-acre improved parcel to UMBC. He pointed out that the property had come full circle. In 1965, the State of Maryland transferred 432 acres to create the UMBC Campus. Then, in 1976, the Board of Public Works approved the transfer of the 4.5-acre parcel from UMBC to create the Catonsville District Courthouse. Once it was learned that the State was building a new courthouse, UMBC and the USM worked with the appropriate state agencies to have the property transferred back to UMBC. Regent Attman pointed out that the parcel was transferred with no consideration. Ms. Schaefer, Vice President Administration and Finance, expressed UMBC's excitement at getting the land back. She noted that in the short-term, the facility offers an opportunity to expand the engineering and computing activities. The building also provides surge space for other renovations. She added that they would need to paint and replace the carpet in the building.

The item was accepted for information purposes.

5. Fall 2020 Enrollment Update and FY 2021 FTE Estimate (information)

Regent Attman stated that each fall the Finance Committee receives the Preliminary Headcount and FTE Estimate Report. The report is usually the first time the Board receives information about fall enrollment and how it tracks with enrollment projections and operating budget plans. However, due to the unique circumstances of the year, the committee had already discussed enrollment and the Board recently approved the enrollment projections in September. Regent Attman then turned to Mr. Muntz, AVC of Institutional Research, Data & Analytics Office, who provided a presentation to the committee.

Mr. Muntz opened his presentation with some good news. Overall, the USM continues to receive positive changes in enrollment compared with some of the scenarios that had been offered over the last six months. Due to late registration and a better than expected yield, the enrollment improved at several of the institutions since the enrollment projections were approved. The USM institutions enrolled 1,600 more students than planned in the previous enrollment projection. However, enrollment was down at most institutions for first-time full-time undergraduate students, and still down 1,200 FTE compared with fiscal year 2020. Mr. Muntz reviewed a list of items influencing enrollment: retention improvements, fewer transfers from community colleges, fewer first-time students, shift to remote learning due to the pandemic, fewer graduate students, and more part-time students. The USM is following national trends but doing better in some cases. Mr. Muntz pointed out that enrollment recovery is slower than enrollment loss, yet he offered that college-ready undergraduates may be seeking in-state opportunities and the remote learning response to the pandemic highlighted new growth opportunities. He added that it is important to establish new pipelines, while retention continues to remain a key strategy for enrollment stability/growth. The presentation is available online <http://www.usmd.edu/regents/agendas/>.

The item was accepted for information purposes.

6. Convening Closed Session

Regent Attman read the Convene to Close Statement.

“The Open Meetings Act permits public bodies to close their meetings to the public in circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Committee on Finance will now vote to reconvene in closed session. The agenda for the public meeting today includes a written statement with a citation of the legal authority and reasons for closing the meeting and a listing of the topics to be discussed. The statement has been provided to the regents and it is posted on the USM’s website.”

The Chancellor recommended that the Committee on Finance vote to reconvene in closed session.

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

Vote Count = YEAs: 7 NAYs: 0 Abstentions: 0

Regent Attman thanked everyone for joining the meeting. The public meeting was adjourned at 11:28 a.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance



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of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

November 5, 2020

Meeting via Video Conference

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 11:29 a.m. via video conference.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Mr. Gonella, Mr. Holzapfel, Mr. Neall, Mr. Pope, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Mr. McDonough, Assistant Attorney General Langrill, Mr. Colella, Dr. Rankin, Mr. Blanchard, Mr. Hollingsworth, Mr. Eismeier, Mr. Hickey, and Ms. McMann.

1. The committee discussed the awarding of new contracts for ERP services and implementation consultants (§3-305(b)(14)). (Regent Attman moved recommendation, seconded by Regent Gooden; unanimously approved)

Vote Count = YEAs: 7 NAYs: 0 Abstentions: 0

The session was adjourned at 11:39 a.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance