



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS
COMMITTEE ON FINANCE

September 10, 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 10:30 a.m.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Mr. Gossett, Ms. Fish, Mr. Holzapfel, Mr. Neall, Mr. Pope, Mr. Rauch, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Dr. Boughman, Mr. Raley, Mr. McDonough, Assistant Attorney General Bainbridge, Ms. Amyot, Mr. Colella, Mr. Danik, Mr. Lockett, Mr. Lowenthal, Mr. Pasquariello, Ms. Rehn, Ms. Schaefer, Mr. Wyden, Mr. Maginnis, Mr. Bitner, Mr. Mowbray, Mr. Beck, Ms. Denson, Mr. Eismeier, Mr. Hickey, Ms. Mann, Mr. Muntz, Mr. Page, Ms. Skolnik, Ms. Walker, Ms. West, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

1. USM Enrollment Projections: FY 2021-2030 (action)

Regent Attman offered that the enrollment projections are presented annually to the Committee for action, usually in the spring, but due to the COVID-19 pandemic and its impact on higher education, the spring projections were received for information and the decision was made to update the plans in the fall. He explained that the enrollment plans for each university reflect the near-term realities and long-term planning to provide access to quality higher education for Marylanders. The plans are used for requesting operating funds as well as planning for capital projects. He then turned to Mr. Muntz, AVC of Institutional Research, Data & Analytics Office, who provided a presentation to the committee. The presentation is available online <http://www.usmd.edu/regents/agendas/>. In response to a question regarding “how would they weather...” the declines at Coppin and UB, Mr. Danik noted that Coppin had received a good share of the CARES Act funding, which would help out the financial matters at school. Ms. Amyot replied that UB’s enrollment drop was anticipated, and that the campus was within 69 students of its planned enrollment. Mr. Muntz added that overall, the institutions did not end up as negative as the projection had indicated, and that newer information was still becoming available. Regent Gooden asked that Mr. Muntz prepare an update for the Board meeting.

The Finance Committee recommended that the Board of Regents approve the enrollment projections.

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

Vote Count = YEAs: 8 NAYs: 0 Abstentions: 0

2. Proposal to Temporarily Suspend the Self-Support Requirement for Intercollegiate Athletics Programs during the COVID-19 Pandemic (action)

Regent Attman indicated that one of the program areas that has been impacted by the pandemic and expected to have a difficult financial year ahead, is athletics. Ticket sales, student athletic fees, and conference distributions are all at some degree of risk in the institutions' athletic programs. He explained that the Board's *Reports on Intercollegiate Athletics* policy requires that institutions operate athletics on a self-support basis—using resources raised for athletics—while pointing out that the expectation is very difficult during this period due to the guaranteed contracts and fixed commitments to pay debt service. As presented, the action would suspend the requirement that athletics be self-supporting for fiscal years 2020 and 2021, and would allow institutional leadership the ability to fund athletics with resources from other self-support activities, should they decide to do so. Regent Gossett added that this action is not a long-term solution.

The Finance Committee recommended that during fiscal years 2020 and 2021, that the Board of Regents approve a temporary suspension of the requirement that Intercollegiate Athletics be managed on a self-supporting basis, per BOR Policy V-2.10, and permit institution presidents to use funds and resources of other non-state-supported activities to cover lost or reduced revenues and/or additional expenditures resulting from the COVID-19 pandemic. An institution shall report the use of such funds to the Board as directed by the Chancellor.

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

Vote Count = YEAs: 9 NAYs: 0 Abstentions: 0

3. University of Maryland, Baltimore: Increase in Project Authorization for School of Nursing Student Services Renovation and Window Replacement (action)

Regent Attman summarized the item. The University seeks an increase in the project's authorization for the previously approved renovation of the facility. The Committee had recommended an initial project authorization last February; however, the project has now been fully designed and bids have been received by the construction manager for the full scope of work. Cost increases were attributed to several areas, including additional hazardous materials and higher trade subcontractor bids. Regent Fish inquired about the findings of hazardous materials. Mr. Mowbray responded that the renovation involved the replacement of over 100 window casings, which were lead and spray-in asbestos based.

The Finance Committee recommended that the Board of Regents approve a new project authorization of \$8.8 million for the School of Nursing Student Services Renovation and Window Replacement as described.

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

Vote Count = YEAs: 9 NAYs: 0 Abstentions: 0

4. University of Maryland, College Park: Amendment to Sale and Ground Lease of Property to Gilbane Development Company to Develop Graduate Student Housing, Townhomes and Access Roadways (action)

Regent Attman provided a summary of the institution's request. The University is seeking approval to amend a real estate transaction that was previously approved by the Board of Regents in April of last

year. This action will reduce the acreage included in the transaction. Included in the previous approval was a Land Exchange Agreement involving a parcel of land owned by Maryland Hillel in exchange for University owned property in the Old Town neighborhood. Hillel plans to build a new, larger center but has yet to meet its fundraising goals. Because the Hillel property is not available as was envisioned when the deal was approved by the Board of Regents, it is necessary to remove that parcel from both the Sale and Ground Lease Agreements with Gilbane Development Company. As such, the Board of Regents is being asked to reduce the Sale of Land to GDC from 9.10 acres to 8.71 acres and to reduce the Ground Lease from 2.26 acres to approximately 1.74 acres. The sales price remains unchanged at \$810,000 and all other terms of the Ground Lease remain the same.

The Finance Committee recommended that the Board of Regents amend its prior approval for the University of Maryland, College Park so as to slightly reduce the size of the for-sale property from approximately 9.1 acres to 8.71 acres. Likewise, the prior approval of the ground lease transaction should be amended to reflect a reduction in size of the leasehold parcel from approximately 2.26 acres to 1.74 acres, consistent with the University System of Maryland Policy on Acquisition and Disposition of Real Property.

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

Vote Count = YEAs: 8 NAYs: 0 Abstentions: 1 - Regent Attman

5. Committee Charge (action)

Regent Attman summarized the item. The Board’s Governance and Compensation Committee has asked that each Board committee annually review and update its charge as appropriate. Regent Attman then opened the floor to discussion. Regent Gooden recommended that as a result of the Finance Committee absorbing the E&E responsibilities, that the charge be updated to reflect this action. Regent Attman and others agreed.

The Finance Committee recommended that the Board of Regents approve an amended committee charge with the addition of language that recognizes the Committee’s stewardship of the USM’s Effectiveness and Efficiency efforts.

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

Vote Count = YEAs: 9 NAYs: 0 Abstentions: 0

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: 9 NAYs: 0 Abstentions: 0

Regent Attman thanked everyone for joining the meeting. The public meeting was adjourned at 11:18 a.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

September 10, 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 11:20 a.m. via video conference.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Mr. Gossett, Ms. Fish, Mr. Holzapfel, Mr. Neall, Mr. Pope, Mr. Rauch, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Dr. Boughman, Mr. Raley, Mr. McDonough, Assistant Attorney General Bainbridge, Ms. Denson, Mr. Eismeier, Mr. Hickey, Ms. Mann, Mr. Page, Ms. West, and Ms. McMann. Mr. Colella, Dr. Rankin, Mr. Hollingsworth, and Mr. Gallo also participated in part of the session.

1. The committee discussed the proposed FY 2022 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.
2. The committee discussed the awarding of an IT networking hardware and software maintenance contract (§3-305(b)(14)). (Regent Attman moved recommendation, seconded by Regent Pope; unanimously approved)
Vote Count = YEAs: 9 NAYs: 0 Abstentions: 0
3. The committee discussed the awarding of new contracts for ERP services (§3-305(b)(14)).
This item was presented for information purposes; there were no votes on this item.
4. 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.

The session was adjourned at 12:33 p.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance