



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

April 13, 2022

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 10:33 a.m.

Regents participating in the session included: Mr. Attman, Ms. Beams, Ms. Fish, Mr. Gill, Mr. Gonella, Ms. Gooden, Mr. Neall, Mr. Peters, Mr. Rauch, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Assistant Attorney General Bainbridge, Mr. McDonough, Ms. Aughenbaugh, Mr. Colella, Mr. Danik, Ms. Dettloff, Mr. Donoway, Mr. Lockett, Mr. Lowenthal, Mr. Oler, Mr. Primus, Ms. Rehn, Dr. Rhodes, Mr. Savia, Mr. Sergi, Ms. Atkins, Mr. Hughes, Mr. Mowbray, Mr. Delia, Mr. Brewer, Mr. Gagnon, Mr. Jones, Ms. Markow, Dr. Marinopoulos, Ms. Auburger, Mr. Eismeier, Mr. Hickey, Ms. Decker Mann, Mr. Muntz, Mr. Page, Ms. Skolnik, Ms. West, Mr. Brown, Ms. Bucko, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

1. University System of Maryland: Fiscal Year 2023 Schedule of Tuition and Mandatory Fees

Regent Attman began by stating that the USM continues to recognize its responsibility and importance of affordability to students and families as well as operational vitality and sustainability for its campuses. For FY 2023, a modest 2% increase in tuition is recommended for resident undergraduate full and part-time students, with non-resident and graduate rates increase of no more than 5%. Regent Attman explained that student affordability is a priority consideration when increasing fees and rates. As costs increase, every effort is made to increase financial aid order to maintain financial aid packages in line with proposed tuition and fee increases—with a particular focus on need-based aid, in order to address some of the concerns surrounding student affordability. He then turned to the proposed schedule in order to review a few specific items, starting with a proposal by the University of Maryland, College Park to consolidate four mandatory fees into the cost of tuition for undergraduate and graduate students: Technology (\$306), Performing Arts (\$95), Health Center (\$96), and Facilities (\$18). In total, \$515 in mandatory fees will be consolidated into the cost of tuition for FY 2023. The consolidation of these fees will simplify student bills, course charging and resource allocation. A second benefit of the consolidation of these fees applies to graduate students. Many graduate students receive tuition remission that covers tuition costs, but not the fees. Second, Regent Attman reminded the Committee that the Board previously authorized the University of Maryland, Baltimore to charge a “BSN Tuition Clinical Education Cost Coverage” to its traditional undergraduate nursing students. Full-time traditional undergraduate nursing students will pay an additional \$1,000 annually. The University of Maryland Eastern Shore is in year two of a three-year implementation plan of a rate increase for its PA program. Resident tuition

rates will increase by 15% and non-resident rates by 10%. Regent Attman also noted that Mandatory fees are included on this schedule. He explained that these fees support services and activities that are not primarily funded by either tuition revenue or state general funds—for example athletics, student unions, and recreation centers. For a large majority of campuses, the increase in fees can be attributed to increases in COLA and merit as well as increases in the costs of goods and services. He stated that in accordance with USM Policy VIII-2.50, institutions are required to meet with student groups, who have a formal role in the discussion and review of proposed fees and changes to existing fees. A summary of this process conducted by campuses is included in the agenda item. He pointed out that there is a new item on the fee schedule for the University of Maryland, College Park. The campus is proposing to add a new Student Counseling Center Fee to aid in the significant increase in the demand for mental health services at the University. The fee will be \$15 per student in the first year and increase over a period of three years to \$50 per student. Regent Attman mentioned that the vice presidents and/or other representatives from each campus were participating in the meeting and available for any institution-specific questions.

The Finance Committee recommended that the Board of Regents approve the tuition and mandatory fees schedule as submitted, with the Chancellor authorized to make appropriate changes consistent with existing policies and guidelines. Any such changes will be in consultation with and reported to the Board.

(Regent Attman moved recommendation, seconded by Regent Gill; approved)

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

2. University System of Maryland: Self-Support Charges and Fees for FY 2023

Regent Attman reviewed the item. He explained that the self-supported fees assist with funding self-support expenses related to housing, dining, and parking operations. Self-Support fees such as room, board and dining services are not covered by state funding or tuition. In general, the justification for increases in the self-support fees are due to increases in COLA, merit and increased costs related to inflation. The proposed rate increases for the typical dormitory room ranges from 1.9% to 9.8%. At UMCP, the increases in the room rate charge are in response to increases in salaries, residential life construction projects, and utility increases. Regent Attman described that the Coppin State room charge increase is needed because there are several significant deferred maintenance dorm projects including new elevators and an upgrade to the residence hall bathrooms. Also, in accordance with USM Board Policy and in an effort to be transparent, a brief summary of the student engagement process by each institution is included in the item. Regent Attman mentioned that the vice presidents and/or other representatives from each campus were participating in the meeting and available for any institution-specific questions.

The Finance Committee recommended that the Board of Regents approve the proposed self-support charges and fees for FY 2023 as set forth in the attachment.

(Regent Attman moved recommendation, seconded by Regent Wood; approved)

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

3. Proposed Amendment to USM VII-7.30—Policy on Holiday Leave for Regular Nonexempt and Exempt Staff

Regent Attman stated that this item involved the amendment of an existing Board policy. Juneteenth was added as a paid USM holiday that full-time regular employees earn on June 19th every year.

Second, a few technical corrections to the policy, as noted on the attachment, were necessary for clarification purposes. He recognized Carolyn Skolnik, Associate Vice Chancellor.

The Finance Committee recommended that the Board of Regents approve the proposed amendment to USM VII-7.30—Policy on Holiday Leave for Regular Nonexempt and Exempt Staff, as presented.

(Regent Attman moved recommendation, seconded by Regent Fish; approved)

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

4. Proposed USM Policy VI-X.xx—Policy on Out-of-State Work for Employees

Regent Attman presented the proposal for a brand-new Board policy. Universities that wish to permit employees to regularly work out-of-state need to be prepared to respond to increased compliance efforts by jurisdictions enforcing their laws, which vary state-by-state. This new Board policy requires each USM institution to develop its own policy to define the terms and conditions under which an employee may perform work duties from a location outside the state of Maryland, including from outside the country, when it is determined to be in the best interests of the institution. In implementing an institution policy, universities must consider the potentially significant fiscal and legal impact associated with allowing employees to regularly work out-of-state.

The Finance Committee recommended that the Board of Regents approve the proposed policy on Out-of-State Work for Employees, as presented.

(Regent Attman moved recommendation, seconded by Regent Gooden; approved)

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

5. University of Maryland, Baltimore: Modification to Lease between University of Maryland, Baltimore and BioPark Fremont LLC for space in a new building to be constructed at 4 Martin Luther King Jr. Boulevard

Regent Attman welcomed Dr. Rhodes, Senior Vice President and Chief Business and Finance Officer; Mr. Hughes, Senior Vice President, Enterprise and Economic Development; and Mr. Mowbray, Director of Real Estate, Planning and Space Management. Regent Attman stated that the University of Maryland, Baltimore is requesting approval to modify a lease that was previously approved by the Board in February of 2020. At that time, UMB was seeking to lease 34,500 feet in new a 10-floor building. Due to the Pandemic, the development of the new building put on hold by the developer, Fremont, LLC. Since that time, it was determined by UMB that additional laboratory space was necessary to meet the demand for start-up companies. Regent Attman indicated that Vice Chancellor Herbst and her staff had consulted with PFM, the System’s financial advisors, and were satisfied that the proposed lease would not unreasonably burden the System’s borrowing capacity. Mr. Hughes added that the vacancy rate in the area for this type of lab space stands at less than 2%.

The Finance Committee recommended that the Board of Regents approve for UMB the modification to the lease as described in the item, consistent with the University System of Maryland Policy on Acquisition, Disposition, and Leasing of Real Property.

(Regent Attman moved recommendation, seconded by Regent Wood; approved)

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

6. Frostburg State University: Real Property Acquisition by Gift

Regent Attman welcomed Mr. Donoway, Vice President of Administration and Finance; Mr. Delia, Vice President for Regional Development and Engagement; and Mr. Brewer, Director of Physical Plant. Regent Attman provided an overview of the item. The property to be acquired is the former City Hall, located on Main Street. The University intends to renovate this property to become a Regional Science Center. While there is no cost for the acquisition of the property, the estimated cost for renovation is approximately \$6 million. This includes payment of \$2.37 million to the national Challenger Center organization. This fee will cover the cost of outfitting the building and training of staff. Regent Attman pointed out that the renovations will be funded from \$3 million in State Funding appropriated in Fiscal Year 2022, with the remainder to be paid for from the results an active fundraising campaign which has raised more than \$1 million to date.

The Finance Committee recommended that the Board of Regents approve Frostburg State University acquiring the property located at 59 E. Main Street as described in the item consistent with the University System of Maryland Policy on Acquisition and Disposition of Real Property.

(Regent Attman moved recommendation, seconded by Regent Gooden; approved)

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

7. USM Momentum Fund: Additional Fund Balance Allocation

Regent Attman recognized Ms. Ryan, Venture Development Director and Ms. Denson, Comptroller, and proceeded to summarize the item. The Momentum Fund has been a great undertaking, investing in USM-affiliated startup companies. The decision to start the Fund was informed by early success in investing in early-stage startups, which was enabled by the Board of Regents through a policy change to allow for investing. Regent Attman explained that this item concerns the request to provide an additional allocation, up to \$2 million per year over a 3-year period to the Fund. Based on the success so far and good early indications, the recommendation is to provide an additional fund balance allocation to help bridge the gap. The Economic Development and Technology Commercialization Committee is supportive of this action and will be reviewing the request as well.

The Finance Committee recommended that the Board of Regents approve the proposal to allocate up to an additional \$6 million over 3 years in the USM Momentum Fund.

(Regent Attman moved recommendation, seconded by Regent Wood; approved)

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

8. USM Enrollment Projections: FY 2023-2032

Regent Attman introduced the item. The enrollment projections are presented annually to the Finance Committee and help to determine the basis for MHEC's statewide projections. The projections reflect the near-term realities and long-term planning to provide access to quality higher education for Marylanders. Per policy, institutions submitted plans that provided the targets and strategies required to achieve the enrollment plan for the next 10 years. The enrollment plans are used for requesting operating funds as well as planning and supporting capital projects. Regent Attman then turned to Regent Fish, who provided a few remarks. She reviewed the recent effort of the BOR Enrollment Workgroup, who has spent the last two years working with institutions to really solidify their enrollment management. Regent Attman then introduced Mr. Muntz, head of the System's Institutional Research, Data & Analytics Office, who presented the enrollment projections. The first chart displayed where the

enrollment projects fell in the annual cycle for inputs into the USM financial management. Mr. Muntz reviewed the role of the enrollment projections in the development of the operating budget, program development, and capital planning. As noted in the material, the fall 2021 enrollment totaled 164,851, while the short-term projection for fall 2022 is 161,956, a decrease of nearly 2,900. At 1,825, much of that loss is projected by UMGC. Over the longer term, the institutions continue to plan and project for growth. Mr. Muntz reviewed several graphs and charts that are available online.

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

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

(Regent Attman moved recommendation, seconded by Regent Fish; approved)

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

9. Financial Condition and Financial Results of Intercollegiate Athletic Programs

Regent Attman introduced the report, an annual financial report of each of the institution's athletic department, presented for information. He noted that it was the first time the report was coming to Finance Committee from the Board's Committee on Intercollegiate Athletics and Student-Athlete Health and Welfare, which was established last July. He then asked Regent Gonella, chair of the new committee, to make a few remarks. Regent Gonella shared that over the past year, he had been establishing lines of communication with each of the athletic directors, and having briefings with Vice Chancellor Herbst and her team. He stated the work of the Committee will evolve and focus on a set of issues that are both routine and recurring—like the financial results and state of each program—but also emerging issues like name, image and likeness, or the changes in the NCAA constitution, which arise from time to time. He turned to Vice Chancellor Herbst, who briefly presented the report. The ICA program financial report is a summary of a considerable amount of information and discussion held with each athletic department. The information is intended to provide a sense of the operating results and financial status or strength for each program, in a single display. Vice Chancellor Herbst reviewed the fund balance results, provided in the material. Each athletic department is unique, with different arrangements with the institution. In response to a question regarding UMCP, it was pointed out that all of the programs were impacted by the COVID-19 Pandemic, and that the University was working on a financial plan that would be presented to the ICA Committee at a future point.

The report was accepted for information purposes.

10. FY 2021 Effectiveness and Efficiency Results

Regent Attman presented the Annual Report of Campus E&E Activities and Associated Multi-Institutional Activities. The report of activities was prepared by Vice Chancellor Herbst and her team in conjunction with the individual efforts reported by each institution. Regent Attman pointed out that when looking at activities, we always lead with effectiveness. In recent years, the outcomes from a variety of consortia, multi-institutional contracts, and other activities have also been documented. The Maryland Enterprise Education Consortium (MEEC) is housed in the USM Office and exists to create master contract for many IT goods and services. MEEC is a membership-based consortium with over 200 education-based members all in the State of Maryland. Members include USM institutions, other public four-years, community colleges, MICUA and public and private K-12s. As illustrated in the report, savings for USM institutions alone reached nearly \$11 million on \$49 million spent in aggregate. Regent Attman acknowledged the success of MEEC and recognized Ms. Petronka, the Executive Director of

MEEC. He closed by thanking everyone for all for their hard work in keeping the E&E program thriving and seeking ways to create collaborative value.

The report was accepted for information purposes.

11. 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 Gooden; unanimously approved)

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

Regent Attman thanked everyone for joining the meeting. The public meeting was adjourned at 12:23 p.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance



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of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

April 13, 2022
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 12:25 p.m. via video conference.

Regents participating in the session included: Mr. Attman, Ms. Beams, Ms. Fish, Mr. Gill, Mr. Gonella, Ms. Gooden, Mr. Neall, Mr. Peters, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Mr. McDonough, Assistant Attorney General Bainbridge, Mr. Hickey, and Ms. McMann. Dr. Rhodes, Mr. Gagnon, Mr. Colella, Mr. Jones, Ms. Markow, and Dr. Marinopoulos participated for a portion of the session.

1. The committee discussed the awarding of a contract for the management of dental student clinics (§3-305(b)(14)). (Regent Attman moved recommendation, seconded by Regent Fish; approved)
Vote Count = YEAs: 8 NAYs: 0 Abstentions: 0
2. The committee discussed the awarding of a contract for traffic data and associated products (§3-305(b)(14)). (Regent Attman moved recommendation, seconded by Regent Gill; approved)
Vote Count = YEAs: 8 NAYs: 0 Abstentions: 0
3. The committee discussed the awarding of a contract for a student health insurance plan (§3-305(b)(14)). (Regent Attman moved recommendation, seconded by Regent Gill; approved)
Vote Count = YEAs: 8 NAYs: 0 Abstentions: 0

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

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance