



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

March 24, 2025

Meeting via Video and Conference Call

Minutes of the Public Session

Regent Fish called to order the meeting of the Finance Committee of the University System of Maryland Board of Regents at 10:31 a.m., welcoming participants joining via video and teleconference.

Regents participating in the session included: Ms. Fish, Ms. Gooden, Mr. Gonella, Mr. Hasan, Mr. Mirani, Mr. Pope, Mr. Sibel, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Dr. Wrynn, Ms. Lawrence, Dr. Masucci, Mr. Sandler, Ms. Wilkerson, Assistant Attorney General Bainbridge, Assistant Attorney General Palkovitz, Assistant Attorney General Stover, Dr. Miralles-Wilhelm, Ms. Aughenbaugh, Mr. Bitner, Mr. Danik, Mr. Donoway, Ms. Edenhart-Pepe, Mr. Kumar, Ms. Lowe, Mr. Lowenthal, Ms. Michels, Mr. Oler, Mr. Reuning, Dr. Rhodes, Mr. Sergi, Mr. Keeney, Mr. Mowbray, Mr. Berkheimer, Mr. Olen, Mr. Atkins, Mr. Harris, Ms. Watson, Mr. Hollingsworth, Mr. Nemazie, Mr. Eshleman, Mr. Bak, Mr. Sheetz, Mr. Graham, Ms. Murphy, Dr. Caraco, Ms. Auburger, Mr. Beck, Mr. Chanen, Ms. Denson, Mr. Eismeier, Mr. Hickey, Mr. Li, Mr. Muntz, Ms. Norris, Ms. Petronka, Ms. Bucko, Mr. Brown, Ms. Kasden, Ms. Ettinger, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

1. University System of Maryland: Self-Support Charges and Fees for FY 2026 (action)

Regent Fish summarized the agenda item, which presented the proposed schedule of self-support charges for fiscal year 2026. These charges contribute to the funding of expenses associated with student housing, dining, and parking operations on the campuses. She noted that these operations are not supported by state funding. In general, increases in self-support fees are explained by rising costs in employee wages, fringe benefits, food, maintenance, and other operating expenses, many of which are tied to inflation.

Turning to the proposed schedule, Regent Fish noted that increases in typical dormitory room rates range from 2 percent at Towson University and Salisbury University to 10 percent at Bowie State University. For typical board rates, the proposed increases range from 2.2 percent at Salisbury to 10.5 percent at the University of Maryland, College Park. Two institutions proposed parking rate increases for FY 2026: College Park's annual fee would increase from \$362 to \$380, a 5 percent change, while Bowie's would increase from \$105 to \$109, or 3.8 percent. Each institution submitted a summary describing its student engagement process, in accordance with Board policy.

Regent Fish invited questions and reminded the committee that each institution was represented at the meeting by its vice president for administration and finance.

Regent Pope asked about the higher increases proposed by Bowie and the University of Maryland, College Park, noting that those two institutions stood out. Mr. Oler, vice president at the University of Maryland, College Park, responded that the increases incorporate cost-of-living adjustments and merit-based wage increases for both the current and upcoming fiscal years. He explained that the campus self-operates its dining and housing services, which makes it subject to approved labor agreements—unlike some institutions that contract out these services. Mr. Kumar, vice president at Bowie State, added that the institution is experiencing increased costs for supplies and materials, service contracts, and maintenance. He explained that both fixed and variable expenses, as well as deferred maintenance, must be addressed to maintain safe and efficient operations.

Regent Mirani asked about the comparatively modest increases proposed by Towson and Salisbury. Mr. Lowenthal, vice president at Towson, said there was no targeted measures, but rather a focus on remaining competitive with local housing options in the immediate area. He emphasized the campus's ongoing engagement with students about services and feedback. Regent Mirani also asked about the proposed parking rate at University of Maryland, College Park, noting that the vote by the Committee for Review of Student Fees was split. Mr. Oler explained that student representatives favored a more differentiated rate structure, but the labor agreement in place limits how parking rates may be increased to employees. In response to an additional question about differential room rates based on air conditioning, Mr. Oler stated that the campus is pursuing a five-year plan to install air conditioning in all remaining residence halls.

The Finance Committee recommended that the Board of Regents approve the proposed self-support charges and fees for FY 2026 as set forth in the attachment.

(Regent Pope moved recommendation, seconded by Regent Gonella; approved)

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

2. University of Maryland, Baltimore: 737 West Lombard Mechanical and Window Replacement (action)

Regent Fish recused herself from the discussion and the vote on this item. Regent Sibel, vice chair of the committee, introduced the item on behalf of the University of Maryland, Baltimore, which seeks Board approval to replace the HVAC system and repair the exterior windows at 737 West Lombard Street. The project also includes substantial upgrades to the fire protection and sprinkler systems to bring the building into compliance with current code requirements. The total project cost is \$10.24 million, funded by \$5.52 million from the fiscal year 2023 PAYGO allocation under the Capital Facilities Renewal program and \$4.72 million in institutional deferred maintenance funds. The building houses administrative offices for the School of Medicine. The existing boilers, heat exchangers, and pumps have exceeded their useful life. Recent upgrades to campus electrical infrastructure enable the conversion to a fully electric HVAC system, which is expected to improve energy efficiency by approximately 30 percent. Replacing the building's deteriorating windows will further enhance efficiency. To maintain ongoing building operations, the work will be completed in three phases. The resulting contract will require approval by the Board of Public Works.

Regent Sibel invited Dr. Rhodes, senior vice president at UMB, to offer any additional comments. Dr. Rhodes indicated that Regent Sibel had covered the item thoroughly and had nothing further to add. In response to a question from Regent Wood regarding the bidding process, Mr. Mowbray, director, stated that the work is being conducted under an existing on-call contract. UMB received three bids and selected the one that represented the best value.

The Finance Committee recommended that the Board of Regents approve the 737 West Lombard mechanical infrastructure upgrades and window replacement, as described, at a total project cost of \$10,240,000.

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

Vote Count = Yeas: 6 Nays: 0 Abstentions: 1 – Regent Fish

3. University of Maryland, Baltimore: School of Dentistry Ambulatory Surgery Center and Building Renovations (action)

The Finance Committee considered a request from the University of Maryland, Baltimore for a second Board approval related to renovations at the School of Dentistry Building. The committee approved the initial request in September, and the full Board granted its approval later that month. The original project budget was \$29.5 million, including \$2.7 million in legislative support and the remainder from the School of Dentistry. The revised budget incorporates a 50 percent contingency on unordered equipment and remaining construction costs to account for continued volatility in federal tariff policy. All other elements of the project remain unchanged. The work will be completed in phases to limit disruption in the occupied building. The resulting contract will require approval by the Board of Public Works.

Dr. Rhodes was invited to comment. She explained that some vendors will only guarantee pricing for a short period—sometimes as little as one week—making the added contingency a prudent measure. She emphasized that the School of Dentistry maintains a strong financial position and is committed to absorbing the additional cost, viewing the renovation as a sound investment that enhances the clinical training environment for students. There were no questions or further discussion.

The Finance Committee recommended that the Board of Regents approve the \$44.245 million renovations to the School of Dentistry Building and the creation of an Ambulatory Surgery Suite as described.

(Regent Pope moved recommendation, seconded by Regent Gonella; approved)

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

4. Salisbury University: Increase in Authorization for Commons Building Kitchen HVAC Replacement (action)

Regent Fish introduced a request from Salisbury University for an increase in funding authorization for the Commons Building Kitchen HVAC Replacement project. The University is seeking an additional \$3.5 million, raising the total project cost from \$6 million to \$9.5 million. The project involves replacement of aging mechanical systems critical to food preparation in the University's sole dining facility.

The scope includes upgrades to air handling units, fire suppression systems, and kitchen equipment. Originally approved in the fiscal year 2025 System-Funded Construction Program, the project budget was based on an engineer's estimate. However, significant cost escalations in specialized equipment and local mechanical labor have necessitated the revised funding request. The increased project cost will be fully supported by institutional funds. The new systems are expected to improve energy efficiency and yield annual utility savings of more than \$75,000.

Regent Hasan shared his ongoing concern about the accuracy of cost estimates and the overall estimating process, particularly in cases where institutions return with sizable requests for additional project authorization and funding. While his comment was prompted by the current item, he emphasized the importance of strengthening cost estimates across all projects. In response, Senior Vice Chancellor Herbst acknowledged the increasing volatility of the construction market and the challenges that presents for accurate forecasting. She stated that the System Office team will continue working with institutions to improve estimating practices. She also reminded the committee that state-funded projects are subject to limitations on contingency levels, and the System Office will continue to engage with the State on those requirements.

The Finance Committee recommended that the Board of Regents approve Salisbury University's request to increase the budget authorization for the Commons Building Kitchen HVAC Replacement project to \$9.5 million.

(Regent Pope moved recommendation, seconded by Regent Sibel; approved)

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

5. Bowie State University: New Greenhouse Building (action)

Regent Fish introduced a request from Bowie State University for approval to construct a stand-alone greenhouse facility totaling approximately 7,300 gross square feet. The total project cost is \$6.156 million, which will be funded entirely through institutional resources. The facility will support the expansion of biological science research, particularly work supported by a NASA grant awarded to the Department of Natural Sciences. The greenhouse will include multiple research chambers designed to accommodate the University's growing research portfolio.

In response to a question from Regent Hasan regarding the NASA grant, Mr. Kumar, vice president at Bowie, clarified that the grant has been fully received and will support the associated research activity. He noted that the greenhouse construction and the estimated \$88,000 in annual operating expenses will be funded by the University. There were no further questions from the committee.

The Finance Committee recommended that the Board of Regents approve the \$6.156 million New Greenhouse project for Bowie State University, as outlined.

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

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

6. University of Maryland, College Park: Enterprise Resource Planning Implementation Partner Contract Modification (action)

Regent Fish introduced a request to modify the implementation partner contract with Huron in connection with the Workday project. The Board of Regents approved an early renewal and modification of the Workday software contract in December 2024. The current request seeks to amend the Huron contract by adding \$31.2 million and extending its term by two years. Due to delays in the "go live" dates for the human capital management and finance components, the University incurred an additional \$12.1 million in implementation costs. These funds, originally designated for the student systems implementation, were reallocated to support the successful launch of the Workday platform in November 2024. The proposed contract modification will require approval by the Board of Public Works. There were no questions or comments from the committee.

The Finance Committee recommended that the Board of Regents approve the University of Maryland, College Park to modify the ERP implementation partner contract, increasing the total contract value to \$74,442,900, which includes a \$29,264,693 cost increase and a \$2,500,000 contingency, and extending the contract by two years.

(Regent Pope moved recommendation, seconded by Regent Gonella; approved)

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

7. USM Enrollment Projections: FY 2026-2037 (action)

Regent Fish initiated the discussion on the item, emphasizing the importance of the annual presentation of enrollment projections to the Finance Committee as a means of maintaining transparency and ensuring alignment with the strategic planning efforts of the University System of Maryland. She acknowledged the challenges currently facing higher education institutions, particularly those stemming from workforce disruptions, and noted that these challenges may also present opportunities. Regent Fish underscored the importance of USM adapting its offerings to support individuals recently displaced from employment, helping to equip them with the education and skills needed to compete in a rapidly evolving economy.

She then invited Mr. Muntz, head of the Decision Support and Institutional Research Office, to present the enrollment projections. Mr. Muntz explained that the projections, required by Board policy, span fiscal years 2026 through 2035 and serve as a core component of the Board's financial management cycle. The projections support planning and decision-making related to tuition and fees, operating and capital budgets, and long-term debt. For fall 2025, USM expects to enroll more than 172,000 students, reflecting a modest systemwide increase primarily driven by growth at UMGC. Most institutions are projected to experience slight enrollment gains, while Bowie State and UMBC are expected to see short-term declines as they implement adjustments to their enrollment strategies. Looking ahead, the outlook remains strong, with projected enrollment reaching approximately 195,000 students by 2034—an estimate that aligns with historical trends and reflects a stable, incremental growth trajectory.

Mr. Muntz also noted that USM's enrollment forecasts have consistently fallen within 3 percent of actual enrollment, which reinforces the credibility of the USM's planning processes and the strength of its enrollment management strategies. At the conclusion, Regent Gooden expressed her appreciation for the team responsible for providing the data, noting the accuracy of the projections, and describing the information as highly usable and reliable. She offered her compliments to the staff for their work.

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

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

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

8. Convening Closed Session

Regent Fish 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 Fish moved recommendation, seconded by Regent Wood; approved)

Vote Count = Yeas: 6 Nays: 0 Abstentions: 0

Regent Fish thanked everyone for joining. The public meeting was adjourned at 11:36 a.m.

Respectfully submitted,

Ellen R. Fish
Chair, Committee on Finance



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

March 24, 2025
Meeting via Video Conference

Minutes of the Closed Session

Regent Fish called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session at 11:40 a.m. via video conference.

Regents participating in the session included: Ms. Fish, Ms. Gooden, Mr. Gonella, Mr. Mirani, Mr. Pope, Mr. Sibel, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Lawrence, Dr. Masucci, Mr. Sandler, Dr. Wrynn, Ms. Wilkerson, Assistant Attorney General Bainbridge, Assistant Attorney General Palkovitz, Assistant Attorney General Stover, Mr. Eismeier, Mr. Hickey, and Ms. McMann. Dr. Miralles-Wilhelm, Ms. Lowe, Mr. Nemazie, Dr. Rhodes, Mr. Eshleman, Mr. Bak, Mr. Donoway, Mr. Sheetz, Mr. Graham, Ms. Murphy, Ms. Petronka, and Ms. Watson also participated in part of the session.

1. The committee discussed the acquisition of property in the City of Annapolis (§3-305(b)(3)).
(Regent Sibel moved recommendation, seconded by Regent Wood; approved)
Vote Count = Yeas: 6 Nays: 0 Abstentions: 0
2. The committee discussed the awarding of a new contract for advertising and marketing services (§3-305(b)(14)).
(Regent Wood moved recommendation, seconded by Regent Sibel; approved)
Vote Count = Yeas: 6 Nays: 0 Abstentions: 0
3. The committee discussed the awarding of a new contract for counseling services (§3-305(b)(14)).
(Regent Pope moved recommendation, seconded by Regent Wood; approved)
Vote Count = Yeas: 6 Nays: 0 Abstentions: 0
4. The committee discussed the awarding of a new contract for dining services (§3-305(b)(14)).
(Regent Pope moved recommendation, seconded by Regent Gooden; approved)
Vote Count = Yeas: 6 Nays: 0 Abstentions: 0
5. The committee discussed the awarding of a new contract for software volume licensing, products, and services (§3-305(b)(14)).
(Regent Fish moved recommendation, seconded by Regent Pope; approved)
Vote Count = Yeas: 6 Nays: 0 Abstentions: 0

The session was adjourned at 12:03 p.m.

Respectfully submitted,

Ellen R. Fish
Chair, Committee on Finance