



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

October 25, 2023

Meeting via Video and Conference Call

Minutes of the Public Session

Regent Fish 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. She took the opportunity to introduce and welcome Regent Sibel to the Committee.

Regents participating in the session included: Ms. Fish, Ms. Gooden, Mr. Hasan, Ms. Helal, Mr. Peters, Mr. Pope, Mr. Sibel, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Mr. McDonough, Assistant Attorney General Bainbridge, Ms. Aughenbaugh, Mr. Bitner, Mr. Colella, Mr. Danik, Ms. Dettloff, Mr. Donoway, Mr. Lockett, Mr. Lowenthal, Mr. Oler, Dr. Rhodes, Ms. Rodriguez, Mr. Keeney, Mr. Salvador, Mr. Maginnis, Mr. Principe, Mr. Motz, Mr. Steen, Mr. Neitzey, Mr. Partlow, Mr. Gilbert, Ms. Auburger, Mr. Beck, Ms. Denson, Mr. Eismeier, Mr. Li, Mr. Muntz, Ms. Norris, Mr. Acton, Ms. Bucko, Mr. Dahl, Ms. Walker, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

Turning to the first item on the agenda, Regent Fish welcomed Ms. Rodriguez, administrative vice president at UMES, who was joined by Mr. Salvador of the College Park Construction Service Center.

1. University of Maryland Eastern Shore: Carver Hall Renovation Project (action)

Regent Fish summarized the University's request. The University is seeking approval for a \$7.1 million project to renovate the building's envelope and replace two important undergraduate laboratories in Carver Hall. Repairs to the building envelope are necessary to address water infiltration issues. Included in the project scope is the replacement of damaged or aging doors, windows, masonry, and roof components to seal the exterior of the building. Regent Fish noted that the project will be funded with capital facilities renewal funds, including State General Obligation bonds, and institutional cash. Regent Fish asked Ms. Rodriguez to comment on the cost estimates and the amount budgeted for contingency. Ms. Rodriguez indicated that the cost estimates were very current, updated in the last three to six months. She added that since the building has not been renovated in 30 years, there is some concern regarding once the walls are opened; the campus has set aside some excess funding from other facilities renewal (FR) projects just in case there are unanticipated issues. Other campus FR projects will be paused in the meantime in order to ensure that the Carver Hall renovation is fully funded. Mr. Salvador confirmed that the estimates are quite recent, provided by a professional estimator. He also confirmed that if something unanticipated was uncovered that they would return to the Board with the project. Following a discussion of contingency allocations, Regent Gooden inquired about the possibility of conducting a retrospective evaluation of contingency levels from the recent years and potentially establishing a guideline for the Board.

The Finance Committee recommended that the Board of Regents approve the project to renovate the building envelope and laboratories in Carver Hall, as described in the agenda item, with a project budget of \$7.1 million.

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

Vote Count = Yeas: 8 Nays: 0 Abstentions: 0

2. University of Maryland, College Park: 2023 Campus Facilities Plan (action)

Regent Fish recognized Mr. Colella, of the University of Maryland, College Park and proceeded to summarize the item. She reminded everyone that President Pines and his colleagues from the University presented their 2023 Campus Facilities Plan at the September meeting. The Plan captures the long-term vision and the strategic priorities of the campus leadership and community and incorporates a number of physical planning principles that are intended to guide efficient facilities development into the future. Locations for new buildings, investment in existing buildings, upgrades and resilient infrastructure systems, and enhanced connections within and to the adjacent communities are outlined. The Campus Plan recognizes the Purple Line Metro as a positive impact on the campus and surrounding community, creating a unique and highly effective backbone for a transportation network that includes the free movement of people from east to west, linking it with electric bus systems, and bike and pedestrian paths that radiate to the north and encircle the campus. Regent Fish informed the Committee that since the September meeting, the University had submitted a brief revision to its Executive Summary. The updated page xiii, included in the material, clarifies that the Campus Plan is aligned with Board-approved student enrollment. In response to a question regarding the future plans for the golf course, Mr. Colella stated that the golf course will continue to be used for the same purpose. He explained the long-term vision is to reconfigure the 18 holes, such that the open space can also accommodate four recreation fields for students, while retaining 18 holes of championship golf play.

The Finance Committee recommended that the Board of Regents approve the University of Maryland, College Park’s 2023 Campus Facilities Plan, in accordance with the Board’s two-step approval process. Approval of the Plan does not imply approval of capital projects or funding. These items will be reviewed through the normal procedures of the capital and operating budget processes.

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

Vote Count = Yeas: 8 Nays: 0 Abstentions: 0

3. University of Maryland, College Park: Acquisition of 1.75 acres of Unimproved Land from University of Maryland Global Campus (action)

Regent Fish recognized Mr. Lockett, UMGC’s vice president and CFO, and Mr. Maginnis, assistance vice president of real estate at the University of Maryland, College Park and proceeded to summarize the item. The University of Maryland, College Park is seeking to purchase a 1.75-acre parcel from UMGC. UMGC has used this property in the past as an overflow parking lot; however, because of the hybrid work environment now in place, they no longer need this property. Regent Fish explained that while the Board had previously approved this transaction, there were material changes to the transaction since that time, including the size of the parcel and the price. During the due diligence process for the transaction, a survey was conducted that revealed the actual acreage as 1.75 acres, instead of the initial 2.2 acres. Accordingly, the purchase price was reduced to \$4.2 million, a blended price that takes into account the two appraisals applied to part of the parcel and the agreed upon MTA pricing applied to the 0.33-acre plot to transfer in support of the Purple Line Rail Project.

The Finance Committee recommended that the Board of Regents approve for University of Maryland, College Park the acquisition of a 1.75-acre property from UMGC, for \$4,174,711, as described in the agenda item, consistent with USM Policy and Procedures for the Acquisition and Disposition of Real Property.

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

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

4. University of Maryland Global Campus: Proposed Amendment to USM VIII-2.01—Policy on Tuition (action)

Regent Fish recognized Mr. Principe and Mr. Motz, who joined Mr. Lockett from UMGC. Regent Fish stated that UMGC is seeking to amend existing language in the Regents' tuition policy as it pertains to the University. As proposed, an amendment to Section C.2. would permit UMGC to offer tuition rates to groups of students—who are covered by arrangements between UMGC and public and private entities—that are below the published resident tuition rates. In many cases, these arrangements often require a quick turnaround and flexibility in setting tuition rates. This lower rate would be at an amount that is annually agreed upon between UMGC and the Chancellor (or designee). Any arrangement that would include rates that are lower than the annually agreed upon rate would require pre-approval from the Chancellor (or designee). Addressing an inquiry regarding the adherence to the customary annual tuition schedule for rate submissions, Mr. Motz conveyed that contractual relationships evolve rapidly, potentially leading to timing challenges. Regent Gooden added that this amendment would provide UMGC with additional flexibility and with the authority to negotiate contracts that are outside of the normal realm. Following deliberations on the timing and delegation of approvals, and considering concerns raised by Regent Wood, it was resolved to defer the matter for subsequent review and refinement.

No motion or action was made regarding this item.

5. Fall 2023 Enrollment Update and FY 2024 Estimated FTE Report (presentation and information)

The Finance Committee received the Preliminary Fall 2023 Enrollment and FY 2024 FTE Estimate report, and a brief presentation of enrollment trend information by Mr. Muntz, associate vice chancellor for decision support and chief analytics officer. Highlights include the 15,338 new first-time, full-time new undergraduates USM attracted in Fall 2023 is a record number. The new student increase contributed to the 1.3% total enrollment increase for the USM reversing the four-year enrollment decline that began at the onset of the pandemic. With three years of new first-time student enrollment increase, the undergraduate pipeline is replenishing. Because of the full-time undergraduate and graduate increase, the FTE estimate also increased. Additionally, the combined enrollment at the three HBCUs increased 5.1% with enrollment growth for undergraduate and graduate students. With sustained enrollment improvements that mimic fall 2023, USM total enrollment should continue to improve and rebound to pre-pandemic enrollment levels. In response to a question, Mr. Muntz clarified that these figures do not include any non-credit based learners or learner opportunities. Regent Fish thanked Mr. Muntz for his insightful presentation. She reminded the group that the Enrollment Workgroup is continuing its work and plans to look more closely at the fall enrollment and spring projections at its upcoming December 1 meeting.

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

The report was received as information.

6. 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 Pope; approved)

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

Regent Fish thanked everyone for joining. The public meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Ellen R. Fish
Chair, Committee on Finance



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of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

October 25, 2023

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 11:48 a.m. via video conference.

Regents participating in the session included: Ms. Fish, Ms. Gooden, Ms. Helal, Mr. Peters, Mr. Pope, Mr. Sibel, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Mr. McDonough, Assistant Attorney General Bainbridge, and Ms. McMann. Ms. Auburger, Mr. Acton, Ms. Denson, Mr. Li, Mr. Steen, Mr. Bartlow, Mr. Gilbert, and Mr. Neitzey also participated in part 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 2025 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 12:37 p.m.

Respectfully submitted,

Ellen R. Fish
Chair, Committee on Finance