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**AGENDA FOR PUBLIC SESSION**

Call to Order

Chair Fish

1. [University System of Maryland: FY 2025 Operating Budget](#) (action)
2. [FY 2025 System Funded Construction Program Request](#) (action)
3. [University System of Maryland: Forty-Sixth Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds](#) (action)
4. [University System of Maryland: Official Intent Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects](#) (action)
5. [Proposed Amendment to USM Policy VIII-2.70—Policy on Student Classification for Admission and Tuition Purposes](#) (action)
6. [University System of Maryland: Revisions to USM Procurement Policies and Procedures](#) (action)
7. [University System of Maryland: Revision to USM Policy on Approval of Procurement Contracts](#) (action)
8. [University of Maryland, College Park: Lease Extension at Diamondback Garage](#) (action)
9. [University of Maryland, College Park: Contract Extension for Official Athletic Team Sponsorship and Intercollegiate Athletics Uniforms and Related Products](#) (action)
10. [Approval of FY 2025 Annual Contract between the University System of Maryland on behalf of University of Maryland, Baltimore and the University of Maryland Medical System Corporation](#) (action)
11. [Convening Closed Session](#) (action)  
Adjourn Public Session and Convene in Closed Session #1

Reconvene Public Session

12. [University of Maryland Global Campus: Ventures Information Technology Contract](#) (action)
13. [Convening Closed Session](#) (action)  
Adjourn Public Session and Convene in Closed Session #2

## OFFICE OF THE SENIOR VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE

## MEMORANDUM

**TO:** Members of the Committee on FinanceEllen Fish  
Steven Sibel  
Geoff J. Gonella  
Farah Helal  
Anwer HasanLouis M. Pope  
Robert D. Rauch  
William T. Wood  
Linda R. Gooden, *ex officio***FROM:** Ellen Herbst, Senior Vice Chancellor**DATE:** May 22, 2024**RE:** Meeting of the Committee via Video Conference

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The Committee on Finance of the USM Board of Regents will meet in public session via video conference at 10:30 a.m. on Wednesday, May 29. Upon the conclusion of the public session, the Committee will convene in closed session.

The agendas and supporting materials will be available on Nasdaq Boardvantage for members of the Board and the USM website at <https://www.usmd.edu/regents/agendas/>.

Zoom details will be provided to the Regents prior to the meeting.

Public listen-only access is provided at 301-715-8592; Conference ID: 927 9248 3278; Password: 028316.

cc: Other Members, Board of Regents  
Office of the Attorney General  
Chancellor's Council  
Vice Presidents for Administration and Finance  
Office of Communications  
SVCAF Managers

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**TOPIC:** University System of Maryland: FY 2025 Operating Budget

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** As required by USM Policy VIII-9.00 – Policy on the Operating Budget, the FY 2025 USM Operating Budget is submitted for consideration and action. The total budget includes revenue from state appropriations, tuition and fees, auxiliary services, federal grants and contracts, and other revenues for a total budget of approximately \$7.5 billion. The FY 2025 Operating Budget provides new state funding as follows:

- FY 2025 Salary Enhancements (held in DBM’s Budget): \$142.9M
  - COLA 3%: \$63.7M
  - Merit 2.5%: \$63.7M
  - Retention: \$15.6M
- 6% Turnover Adjustment: (\$55.0M)
- Fringe Benefit Increases: \$7.3M
- HBCU Lawsuit Settlement: \$35.5M
- Total Proposed Funding for Legislative Mandates: \$7.6M
- Supplemental #2: \$282.7K
  - BSU: (\$717.3K) – HBCU Settlement Fund Correction
  - CSU: \$1M – Student Center Improvements
- UMES Agriculture State Match Funding: \$4.8M
- Expansion Funding for MD Technology Internship Program (UMBC): \$700K
- MFRI COLA: \$199.1K

The state-supported portion of the budget totals approximately \$4.4 billion. Included in this figure are state appropriations, Higher Education Investment Funds (HEIF) and HBCU settlement funds of approximately \$2.3 billion (an increase of approximately \$98.0 million or 4.4% over the FY 2024 budget base state funds), and tuition and fees of approximately \$1.9 billion.

The non-state-supported portion of the budget totals approximately \$3.2 billion comprised mainly of Auxiliary Revenues of approximately \$798.8 million. Approximately \$1.7 billion of restricted funding is mainly comprised of federal grants contracts of approximately \$995.4 million, private gifts, grants, and contracts of approximately 264.6 million, and state and local grants and contracts of approximately \$240.1 million.

**ALTERNATIVE(S):** The budget request could be adjusted to increase/decrease expenditures or to move expenditures from one area to another. However, a balanced budget is required, and revenue must be adjusted to match any change in overall expenditures.

**FISCAL IMPACT:** The USM budget totals \$7.5 billion.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the FY 2025 operating budget as submitted, with the Chancellor authorized to make appropriate changes consistent with existing board policies and guidelines. Any such changes will be in consultation with and reported back to the Board.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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University System of Maryland  
FY 2025 Operating Budget

Table 1

State	Current Unrestricted Funds					Total <u>Restricted</u>	Total <u>Funds</u>	Full Time <u>Positions</u>	Full Time Equivalent <u>Students</u>
	<u>Appropriations</u>	<u>Tuition &amp; Fees</u>	<u>Auxiliary</u>	<u>Other</u>	<u>Unrestricted</u>				
UMB	381,808,139	176,370,200	30,185,822	320,848,453	909,212,614	\$712,084,443	1,621,297,057	5,645.96	6,676
UMCP	869,706,933	732,140,153	379,876,336	273,193,315	2,254,916,737	607,960,294	2,862,877,031	10,018.00	33,936
BSU	88,246,610	53,583,977	30,324,547	1,051,854	173,206,988	33,709,513	206,916,501	716.00	5,118
TU	224,705,098	207,215,420	154,220,478	8,409,493	594,550,489	64,000,000	658,550,489	2,548.00	16,030
UMES	84,125,435	25,879,288	22,445,035	455,422	132,905,180	26,789,250	159,694,430	835.87	2,523
FSU	64,508,095	33,786,690	21,775,344	1,886,713	121,956,842	24,076,400	146,033,242	688.00	3,045
CSU	73,219,890	12,849,223	11,936,132	(412,326)	97,592,919	18,000,000	115,592,919	462.00	1,743
UBalt	65,672,532	51,322,551	5,561,035	2,822,166	125,378,284	29,256,268	154,634,552	651.00	2,139
SU	97,786,269	73,815,833	54,644,305	3,008,105	229,254,512	16,600,000	245,854,512	1,102.00	6,431
UMGC	66,530,737	381,529,302	-	33,576,597	481,636,636	80,005,847	561,642,483	974.71	39,580
UMBC	224,211,868	180,100,781	87,253,694	50,392,807	541,959,150	136,683,292	678,642,442	2,298.29	11,467
UMCES	29,799,582	-	-	6,885,291	36,684,873	17,449,469	54,134,342	281.86	-
USMO	27,785,959	-	-	10,727,073	38,513,032	2,000,000	40,513,032	117.00	-
USG	29,662,815	1,706,491	1,024,735	276,205	32,670,246	1,000,000	33,670,246	93.00	-
<b>Total</b>	<b>2,327,769,962</b>	<b>\$1,930,299,909</b>	<b>\$799,247,463</b>	<b>\$713,121,168</b>	<b>\$5,770,438,502</b>	<b>\$1,769,614,776</b>	<b>\$7,540,053,278</b>	<b>26,431.69</b>	<b>128,688</b>

**University System of Maryland  
FY 2025 State Supported Budget**

Table 2

Institution:	FY 2024 Budget Base State Funds	Target Legislative Mandates & Salary Enhancements	New Facilities Operating Costs	FY 2025 Request State Funds	Appropriation Adjustments				Total FY 2025 Salary Enhancements - Held in DBM Budget	Total Estimated FY 2025 State Funds
					Legislative Mandates	HBCU Lawsuit Adjustment	Turnover Increase to 6% Adjustment	Controlled Sub Object & Fringe Adjustments		
UMB	\$367,283,883	(\$4,583,505)	\$0	\$362,700,378	\$4,050,000		(\$10,813,979)	\$688,515	\$25,183,225	\$381,808,139
UMCP*	\$848,729,372	(4,697,243)	391,300	\$833,090,226	250,000		(28,406,064)	2,695,381	61,990,442	869,619,985
BSU	\$85,580,923	350,961	1,303,695	\$87,235,579	-	(717,344)	(2,777,342)	225,408	4,277,398	88,243,699
TU	\$204,777,195	2,671,905	1,496,306	\$208,945,406	500,000		330,293	1,146,571	13,767,507	224,689,777
UMES	\$75,079,300	(901,272)	517,155	\$74,695,183	4,800,000		720,491	208,334	3,699,302	84,123,310
FSU	\$60,522,353	956,616	310,333	\$61,789,302	200,000		(934,569)	190,832	2,920,030	64,165,595
CSU	\$70,454,050	910,205	28,000	\$71,392,255	1,000,000		(2,198,158)	173,068	2,864,247	73,231,412
UBalt	\$62,321,849	(975,725)	-	\$61,346,124	1,525,000		(1,932,780)	237,256	4,498,134	65,673,734
SU	\$92,303,278	1,683,692	-	\$93,986,970	-		(2,116,806)	353,727	5,558,559	97,782,450
UMGC	\$66,737,708	(3,435,938)	-	\$63,301,770	750,000		(4,918)	87,226	2,397,314	66,531,392
UMBC	\$210,724,578	4,989,294	-	\$215,713,872	700,000		(5,687,879)	935,294	12,559,466	224,220,753
UMCES	\$28,426,634	(75,053)	659,133	\$29,010,714	-		(387,511)	51,976	1,124,420	29,799,599
USMO	\$26,621,360	144,682	-	\$26,766,042	300,000		(571,433)	354,070	1,368,623	28,217,302
PAYGO				\$0	-					-
USG	\$33,952,023	(4,867,098)	-	\$29,084,925	-		(244,919)	127,057	695,752	29,662,815
<b>USM total</b>	<b>\$2,233,514,506</b>	<b>(\$7,828,479)</b>	<b>\$4,705,922</b>	<b>\$2,219,058,746</b>	<b>\$14,075,000</b>	<b>(\$717,344)</b>	<b>(\$55,025,574)</b>	<b>\$7,474,715</b>	<b>\$142,904,419</b>	<b>\$2,327,769,962</b>

For FY2025 there is a GF/HEIF swap of \$10.6M.

\*FY 2025 Request State Funds are not inclusive of \$11.3M related to restricted MFRI funding.

Table 3a

SUMMARY OF EXPENDITURES UNIVERSITY SYSTEM OF MARYLAND									
Expenditures	FY 2023 Actual		FY 2024 Appropriation Adj.		FY 2025 Allowance Adj.		FY 2025 Change		
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	%
<b>Expenditures</b>									
Salaries & Wages	25,927.39	4,023,974,895	26,431.69	4,490,108,630	26,431.69	4,625,882,781	0.00	135,774,151	3.0%
Technical and Special Fees		144,651,221		140,459,708		144,151,222		3,691,514	2.6%
Non-Salary Operations & Maintenance		2,637,775,958		2,484,953,755		2,528,912,072		43,958,317	1.8%
Facilities Renewal		236,376,512		217,703,771		241,107,203		23,403,432	10.8%
Subtotal Operating Expenses		2,874,152,470		2,702,657,526		2,770,019,275		67,361,749	2.5%
<b>Total Expenditures</b>	<b>25,927.39</b>	<b>7,042,778,586</b>	<b>26,431.69</b>	<b>7,333,225,864</b>	<b>26,431.69</b>	<b>7,540,053,278</b>	<b>0.00</b>	<b>206,827,414</b>	<b>2.8%</b>
<b>Revenue</b>									
<b>Current Unrestricted Revenue:</b>									
Tuition and Fees		1,786,422,277		1,873,293,871		1,930,299,909		57,006,038	3.0%
State General Funds		1,813,424,845		2,066,718,436		2,162,109,337		95,390,901	4.6%
Higher Education Investment Fund		116,204,824		119,561,065		130,184,537		10,623,472	8.9%
HBCU Settlement Funds - General & Special		22,342,209		36,193,432		35,476,088		(717,344)	-2.0%
Maryland Energy Innovation		2,100,000		2,100,000		2,100,000		-	0.0%
Federal Grants and Contracts		198,689,129		192,435,081		194,878,595		2,443,514	1.3%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		186,853		-		-		-	0.0%
Private Gifts, Grants and Contracts		75,892,418		71,034,169		71,729,909		695,740	1.0%
State and Local Grants and Contracts		31,566,933		26,169,635		26,021,461		(148,174)	-0.6%
Sales and Services of Educational Activities		257,323,584		288,668,231		297,796,796		9,128,565	3.2%
Sales and Services of Auxiliary Enterprises		723,126,792		756,073,861		799,247,463		43,173,602	5.7%
Other Sources		177,936,792		158,692,096		153,020,611		(5,671,485)	-3.6%
Transfer (to)/from Fund Balance		(124,127,470)		(30,136,835)		(32,426,204)		(2,289,369)	7.6%
<b>Total Unrestricted Revenue</b>		<b>5,081,089,186</b>		<b>5,560,803,042</b>		<b>5,770,438,502</b>		<b>209,635,460</b>	<b>3.8%</b>
<b>Current Restricted Revenue:</b>									
Federal Grants and Contracts		907,582,421		1,001,895,565		1,024,310,430		22,414,865	2.2%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		59,034,358		13,125,476		-		(13,125,476)	-100.0%
Private Gifts, Grants and Contracts		240,495,883		263,039,296		265,548,384		2,509,088	1.0%
State and Local Grants and Contracts		223,800,227		235,086,103		241,621,725		6,535,622	2.8%
State General Funds (Restricted)		4,375,886		3,749,216		-		(3,749,216)	-100.0%
State Special Funds (Restricted)		10,757,216		11,041,573		11,333,203		291,630	2.6%
DPA Legislative Priorities		-		-		-		-	0.0%
PAYGO State Funds		292,131,594		17,562,000		-		(17,562,000)	-100.0%
Other Sources		223,511,815		226,923,593		226,801,034		(122,559)	-0.1%
<b>Total Restricted Revenue</b>		<b>1,961,689,400</b>		<b>1,772,422,822</b>		<b>1,769,614,776</b>		<b>(2,808,046)</b>	<b>-0.2%</b>
<b>Total Revenue</b>		<b>7,042,778,586</b>		<b>7,333,225,864</b>		<b>7,540,053,278</b>		<b>206,827,414</b>	<b>2.8%</b>

Table 3b

SUMMARY OF EXPENDITURES UNIVERSITY SYSTEM OF MARYLAND - STATE SUPPORTED									
Expenditures	FY 2023 Actual		FY 2024 Appropriation Adj.		FY 2025 Allowance Adj.		FY 2025 Change		
	FTE	Amount		Amount	FTE	Amount	FTE	Amount	%
<b>Expenditures</b>									
Salaries & Wages	17,957.53	2,574,620,509	18,336.65	2,927,355,981	18,335.65	3,018,457,478	-1.00	91,101,497	3.1%
Technical and Special Fees		79,129,619		78,174,935		80,995,332		2,820,397	3.6%
Non-Salary Operations & Maintenance		1,296,986,103		1,081,375,077		1,118,384,957		37,009,880	3.4%
Facilities Renewal		149,391,609		138,400,365		161,773,412		23,373,047	16.9%
Subtotal Operating Expenses		1,446,377,712		1,219,775,442		1,280,158,369		60,382,927	5.0%
<b>Total Expenditures</b>	<b>17,957.53</b>	<b>4,100,127,840</b>	<b>18,336.65</b>	<b>4,225,306,358</b>	<b>18,335.65</b>	<b>4,379,611,179</b>	<b>-1.00</b>	<b>154,304,821</b>	<b>3.7%</b>
<b>Revenue</b>									
<b>Current Unrestricted Revenue:</b>									
Tuition and Fees		1,591,351,818		1,665,136,320		1,712,243,708		47,107,388	2.8%
State General Funds		1,813,424,845		2,066,718,436		2,162,109,337		95,390,901	4.6%
Higher Education Investment Fund		116,204,824		119,561,065		130,184,537		10,623,472	8.9%
HBCU Settlement Funds - General & Special		22,342,209		36,193,432		35,476,088		(717,344)	-2.0%
Maryland Energy Innovation		2,100,000		2,100,000		2,100,000		-	0.0%
Federal Grants and Contracts		75,361,619		81,924,406		83,150,792		1,226,386	1.5%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		-		-		-		-	0.0%
Private Gifts, Grants and Contracts		53,767,874		53,742,565		54,102,372		359,807	0.7%
State and Local Grants and Contracts		17,244,436		13,774,510		14,244,510		470,000	3.4%
Sales and Services of Educational Activities		16,608,655		15,461,663		15,434,810		(26,853)	-0.2%
Sales and Services of Auxiliary Enterprises		43,534		-		500,000		500,000	0.0%
Other Sources		88,199,091		83,574,481		97,554,674		13,980,193	16.7%
Transfer (to)/from Fund Balance		(35,247,153)		23,346,144		29,756,601		6,410,457	27.5%
<b>Total Unrestricted Revenue</b>		<b>3,761,401,752</b>		<b>4,161,533,022</b>		<b>4,336,857,429</b>		<b>175,324,407</b>	<b>4.2%</b>
<b>Current Restricted Revenue:</b>									
Federal Grants and Contracts		24,701,168		28,920,547		28,920,547		-	0.0%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		8,382,332		-		-		-	0.0%
Private Gifts, Grants and Contracts		924,968		1,000,000		1,000,000		-	0.0%
State and Local Grants and Contracts		729,620		1,500,000		1,500,000		-	0.0%
State General Funds (Restricted)		3,750,784		3,749,216		-		(3,749,216)	-100.0%
State Special Funds (Restricted)		10,757,216		11,041,573		11,333,203		291,630	2.6%
DPA Legislative Priorities		-		-		-		-	0.0%
PAYGO State Funds		291,980,000		17,562,000		-		(17,562,000)	-100.0%
Other Sources		(2,500,000)		-		-		-	0.0%
<b>Total Restricted Revenue</b>		<b>338,726,088</b>		<b>63,773,336</b>		<b>42,753,750</b>		<b>-21,019,586</b>	<b>-33.0%</b>
<b>Total Revenue</b>		<b>4,100,127,840</b>		<b>4,225,306,358</b>		<b>4,379,611,179</b>		<b>154,304,821</b>	<b>3.7%</b>



Table 3c

**SUMMARY OF EXPENDITURES**  
**UNIVERSITY SYSTEM OF MARYLAND - NON-STATE SUPPORTED**

Expenditures	FY 2023 Actual		FY 2024 Appropriation Adj.		FY 2025 Allowance Adj.		FY 2025 Change		
	FTE	Amount		Amount	FTE	Amount	FTE	Amount	%
<b>Expenditures</b>									
Salaries & Wages	7,969.86	1,449,354,386	8,095.04	1,562,752,649	8,096.04	1,607,425,303	1.00	44,672,654	2.9%
Technical and Special Fees		65,521,602		62,284,773		63,155,890		871,117	1.4%
Non-Salary Operations & Maintenance		1,340,789,855		1,403,578,678		1,410,527,115		6,948,437	0.5%
Facilities Renewal		86,984,903		79,303,406		79,333,791		30,385	0.0%
Subtotal Operating Expenses		1,427,774,758		1,482,882,084		1,489,860,906		6,978,822	0.5%
<b>Total Expenditures</b>	<b>7,969.86</b>	<b>2,942,650,746</b>	<b>8,095.04</b>	<b>3,107,919,506</b>	<b>8,096.04</b>	<b>3,160,442,099</b>	<b>1.00</b>	<b>52,522,593</b>	<b>1.7%</b>
<b>Revenue</b>									
<b>Current Unrestricted Revenue:</b>									
Tuition and Fees		195,070,459		208,157,551		218,056,201		9,898,650	4.8%
State General Funds		-		-		-		-	0.0%
Higher Education Investment Fund		-		-		-		-	0.0%
HBCU Settlement Funds - General & Special		-		-		-		-	0.0%
Maryland Energy Innovation		-		-		-		-	0.0%
Federal Grants and Contracts		123,327,510		110,510,675		111,727,803		1,217,128	1.1%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		186,853		-		-		-	0.0%
Private Gifts, Grants and Contracts		22,124,544		17,291,604		17,627,537		335,933	1.9%
State and Local Grants and Contracts		14,322,497		12,395,125		11,776,951		(618,174)	-5.0%
Sales and Services of Educational Activities		240,714,929		273,206,568		282,361,986		9,155,418	3.4%
Sales and Services of Auxiliary Enterprises		723,083,258		756,073,861		798,747,463		42,673,602	5.6%
Other Sources		89,737,701		75,117,615		55,465,937		(19,651,678)	-26.2%
Transfer (to)/from Fund Balance		(88,880,317)		(53,482,979)		(62,182,805)		(8,699,826)	16.3%
<b>Total Unrestricted Revenue</b>		<b>1,319,687,434</b>		<b>1,399,270,020</b>		<b>1,433,581,073</b>		<b>34,311,053</b>	<b>2.5%</b>
<b>Current Restricted Revenue:</b>									
Federal Grants and Contracts		882,881,253		972,975,018		995,389,883		22,414,865	2.3%
CARES/CRRSAA/ARPA Federal Direct & Indirect Support		50,652,026		13,125,476		-		(13,125,476)	-100.0%
Private Gifts, Grants and Contracts		239,570,915		262,039,296		264,548,384		2,509,088	1.0%
State and Local Grants and Contracts		223,070,607		233,586,103		240,121,725		6,535,622	2.8%
State General Funds (Restricted)		625,102		-		-		-	0.0%
State Special Funds (Restricted)		-		-		-		-	0.0%
DPA Legislative Priorities		-		-		-		-	0.0%
PAYGO State Funds		151,594		-		-		-	0.0%
Other Sources		226,011,815		226,923,593		226,801,034		(122,559)	-0.1%
<b>Total Restricted Revenue</b>		<b>1,622,963,312</b>		<b>1,708,649,486</b>		<b>1,726,861,026</b>		<b>18,211,540</b>	<b>1.1%</b>
<b>Total Revenue</b>		<b>2,942,650,746</b>		<b>3,107,919,506</b>		<b>3,160,442,099</b>		<b>52,522,593</b>	<b>1.7%</b>

**TOPIC:** FY 2025 System Funded Construction Program Request

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** This is a request for approval of the FY 2025 System Funded Construction Program in the amount of \$75,857,000 that is the first year of the proposed FY 2025-2029 System Funded Construction Program of \$314,359,000, as indicated in the attachment.

The USM Auxiliary Bond portion of the total is \$34,950,000 for FY 2025 and a five-year total of \$245,452,000. Other than those already approved by the Board, no new projects for public/private partnership (P3) financing are being considered this cycle, though the existing agreements are presented here for information because P3 projects typically impact USM debt capacity.

The SFCP request includes projects that are proposed for planning, construction and/or equipment funding in FY 2025. While the Board's approval is for the single, asking-year budget, a full five-year plan is required by Board policy. The plan outlines the intended progression of each project over time and places the current year's allocation, for the Board's information, in context with any remaining phases of funding. Some recommendations in the SFCP may be conditional upon satisfactory completion of other projects or activities. These are noted in the attachment or will be part of concurrent discussion with the Board.

As noted above, most projects are recommended for funding through external borrowing in whole or in part. Approval is being requested concurrently and/or at a later date for borrowing authority for those specific projects. There may be changes at that time because of timing, cost, fee change implications, or other considerations. Each project is a part of an institutional program that will produce the revenue required for repaying the debt.

**ALTERNATIVE(S):** Each project could be reviewed separately and accepted, modified, or rejected. The institutional requirement and financial viability for each project were evaluated separately.

**FISCAL IMPACT:** The impact of the program focuses on the effect of each project on the institution's operating budget and varies with the plan for setting the charges required to repay the debt.

**CHANCELLOR'S RECOMMENDATION:** That the Committee on Finance recommend that the Board of Regents approve the FY 2025 System Funded Construction Program request with the conditions listed herein (and within the attached materials) and authorize the Chancellor to make appropriate changes consistent with existing Board policies and guidelines. Any such changes will be reported to the Committee on Finance.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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# SFCP: DRAFT FOR BOARD OF REGENTS

## BOARD OF REGENTS FY2025-2029 SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) -- \$'000'S

Revised 5/16/24

(Yellow) New Requests for FY25

Campus  
Priority

### FUNDING CALENDAR

Total Project  
Cost '000s

	INST'N	PROJECTS	Prior	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029				
<b>USM Auxiliary Bonds</b>												
2	UMCP	Ellicott Community Residence Halls HVAC & Infrastructure Reno	8,350		deferred 2 years relative to request		20,000	C	20,000	C	48,350	
1	UMCP	South Campus Housing Utility and Infrastructure Upgrade	8,700	Inst'n	6,000	C	6,000	C			20,700	
1	BSU	Refurbish Tubman Hall		10,050	PC						10,050	
1	TU	10 West Renovation			7,000	PC	48,000	C	35,000	CE	90,000	
5	UMES	Athletic Fields Upgrade (consider internal borrowing option)		4,900	C						4,900	
1	CSU	Student Ctr & Residential Complex (SCRC) Ph 1 (See "Note A" Below)		9,000	C	26,502	C	3,000	E		38,502	
6	SU	Guerrieri Student Union Renovation				2,500	P	7,500	PC	25,000	C	35,000
1	UMBC	The Commons Courtyard Enclosure		5,000	PC	10,000	C				15,000	
<b>Subtotal: USM Bonds/Direct Debt RECOMMENDED</b>				<b>34,950</b>		<b>49,502</b>		<b>53,500</b>		<b>62,500</b>	<b>45,000</b>	
<b>FIVE YEAR SUBTOTAL BONDS (USM DEBT)</b>										<b>245,452</b>		

**Note A** \*State contribution to Coppin Housing project includes: (Prior) \$6.864M + (FY25) \$11.136M + \$1M Paygo = \$19M

**FOR INFORMATION ONLY: Potential impact on USM Debt of requested Public/Private Partnerships (as approved by the Board)**

	UMCP	New Graduate Housing (700 beds) \$176M Total Debt	State funds \$50M	176,000					
	UMCP	Next Gen Energy Project (Estimated Debt Impact)		392,000					392,000
	BSU	Gateway Parcel Project (599 beds) \$84M Total Debt	none	84,000					84,000
<b>TOTAL IMPACT ON DEBT - PPP</b>				<b>652,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>5 YR NEW TOTAL POTENTIAL IMPACT ON DEBT - BONDS &amp; PPP</b>									<b>897,452</b>

### Cash or Institutional Funding

3	UMCP	Soccer and Track Stadium Improvements	5,000	PCE	20,000	CE					25,000
4	UMCP	Chestertown Hall Central HVAC Renovation			6,000	PCE					6,000
1	UMB	Med School Teach Fac HVAC Improv (See "Note B" Below)	4,243	(FR)	1,957	CE					6,200
1	UMES	Natural Gas Conversion Project (See "Note C" Below)	8,046		1,850	CE					9,896
1	FSU	Brownsville Residence Hall Repairs (See "Note D" Below)			5,100	CE					5,100
1	SU	Commons Building Kitchen HVAC Replacement			6,000	PCE					6,000
2	SU	Student Recreation Center	5,000	PC			10,000	CE			15,000
	SU	St Martin Residence Hall Renovations	7,000	PC			8,000	PC			
3	UMBC	The Commons Courtyard Enclosure					10,000	C			10,000
<b>Subtotal: USM Cash/Institutional Funds RECOMMENDED</b>					<b>40,907</b>		<b>28,000</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>FIVE YEAR SUBTOTAL (CASH)</b>										<b>68,907</b>	

**Note B** UMB MSTF HVAC Project was funded through the Capital FR program (\$4,242,727); UMB will augment project budget with \$1,957,273 in institutional funding

**Note C** Nov 2021-Board approved \$8,045,031 (mixed cash, grant, FR program); amount shown (USM Plant Funds) needed to complete

**Note D** Repairs following plumbing failures in 2023, funded with a combination of FSU operating funds, contractor, and insurance funding

<b>ANNUAL TOTAL SFCP PROGRAM (BONDS, CASH); NOT INCL PPP</b>	<b>75,857</b>	<b>77,502</b>	<b>53,500</b>	<b>62,500</b>	<b>45,000</b>
<b>FIVE YEAR TOTAL SFCP (BONDS CASH); NOT INCL PPP</b>					<b>314,359</b>

KEY: A = Acquisition; P = Planning; C = Construction; E = Equipment

END OF SFCP RECOMMENDATIONS

Campus  
Priority

INST'N	PROJECTS	FUNDING CALENDAR					
		Prior	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029

Total Project  
Cost '000s

**REQUESTS FOR NEW HOUSING STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION)\***

2	TU	Phase V Housing (500 Beds and 300 parking spaces)	Bonds						8,000	P	13,500	PC	21,500	
2	UMES	500 Bed Residence Hall	Bonds	15,000	P	70,000	C	5,000	E				90,000	
3	UMES	Renovation of 6 Student Apartment Complex	Bonds			2,000	P	18,000	CE				20,000	
4	UMES	New Nuttle Hall Residence	Bonds			7,000	P	45,000	CE	30,000	C		82,000	
3	CSU	New Residence Hall #2	Bonds					4,500	P	28,765	C	32,115	CE	65,380
4	SU	New Residence Hall	Bonds			5,000	P	5,000	P	50,000	C	50,000	CE	110,000
<b>Subtotal: Requests for Housing Projects (still under review)</b>				<b>15,000</b>		<b>84,000</b>		<b>77,500</b>		<b>116,765</b>		<b>95,615</b>		

**BOND REQUESTS STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION):**

5	UMCP	Parking Garage (3,000 spaces)						33,000	PC			33,000	PC	99,000
2	UMES	New Public Safety Building			510	P	4,300	C	600	E			5,410	
2	CSU	Johnson Auditorium Parking Garage			2,450	P	16,000	C	16,500	CE			34,950	
5	SU	New Parking Garage			5,000	P	25,000	C					30,000	
<b>Subtotal: Bond Requests Still Under Review</b>				<b>0</b>		<b>7,960</b>		<b>78,300</b>		<b>17,100</b>		<b>33,000</b>		

**CASH REQUESTS STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION):**

<b>Subtotal: Cash Requests Still Under Review</b>				<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		0
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**ENERGY PERFORMANCE CONTRACTS (For Information Only)**

Energy Upgrades If Proposed														0
<b>Subtotal</b>				<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		0

\*Note: Potential Public/Private Partnership projects are typically brought to the Board individually for consideration. Other housing requests will be evaluated against available debt capacity, financial viability and the potential to leverage private funding.

**TOPIC:** University System of Maryland: Forty-Sixth Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** The Board of Regents has previously adopted forty-five bond resolutions, with amendments, authorizing the issuance of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The proposed Resolution authorizes the issuance of Revenue Bonds to finance \$64,950,000 of academic and auxiliary facilities projects.

The Auxiliary Facilities Projects submitted in this Forty-Sixth Bond Resolution may be subject to adjustments in order to align it with the FY 2025 System Funded Construction Program Request to be considered and adopted by the Board on June 14, 2024. Any changes to this Resolution will be reported to the Committee on Finance. The total amount of bonds authorized will not exceed \$64,950,000.

Academic Facilities Projects

- University of Maryland, College Park: Infrastructure Project \$5,000,000
- System-wide Capital Facilities Renewal \$25,000,000

Auxiliary Facilities Projects

- University of Maryland, College Park: South Campus Housing Utility and Infrastructure Upgrade \$6,000,000
- Bowie State University: Refurbish Tubman Hall \$10,050,000
- University of Maryland Eastern Shore: Athletic Fields Upgrade \$4,900,000
- Coppin State University: Student Center & Residential Complex (SCRC) Phase 1 \$9,000,000
- University of Maryland, Baltimore County: The Commons Courtyard Enclosure \$5,000,000

**BOND COUNSEL:** Miles & Stockbridge P.C.

**ALTERNATIVE(S):** The projects may be delayed without this authorization.

**FISCAL IMPACT:** Issuance of \$64,950,000 of bonds would result in debt service of approximately \$5.2 million per year for 20 years at 5.0%.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the Forty-Sixth Bond Resolution.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**FORTY-SIXTH BOND RESOLUTION**

**OF THE BOARD OF REGENTS OF THE**

**UNIVERSITY SYSTEM OF MARYLAND**

**AUTHORIZING THE ISSUANCE AND SALE OF UP TO**

**\$64,950,000 UNIVERSITY SYSTEM OF MARYLAND**

**AUXILIARY FACILITY AND TUITION**

**REVENUE BONDS**

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**FORTY-SIXTH BOND RESOLUTION  
OF THE BOARD OF REGENTS OF THE  
UNIVERSITY SYSTEM OF MARYLAND  
AUTHORIZING THE ISSUANCE AND SALE OF UP TO  
\$64,950,000 UNIVERSITY SYSTEM OF MARYLAND  
AUXILIARY FACILITY AND TUITION  
REVENUE BONDS**

RECITALS

WHEREAS, pursuant to Title 19 of the Education Article of the Annotated Code of Maryland (as the same may be amended or supplemented from time to time, "Title 19"), the University System of Maryland (the "System") is authorized to issue bonds for the purpose of financing or refinancing all or any part of the costs of the acquisition, construction, reconstruction, equipment, maintenance, repair, renovation and operation of one or more "projects," as such term is defined in Title 19, of the System;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted May 3, 1989, the System approved the Original Indenture (as hereinafter defined) providing for the issuance of one or more series of bonds from time to time for the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, and pursuant to a Resolution of the System adopted June 14, 1995, the System approved the Supplemental Indenture (as hereinafter defined) supplementing and amending the Original Indenture in furtherance of the purposes described in Title 19;

WHEREAS, pursuant to the authority provided in Title 19, the System desires to issue and sell up to \$64,950,000 aggregate principal amount of its University System of Maryland Auxiliary Facility and Tuition Revenue Bonds on one or more Issuance Dates (as hereinafter defined) in one or more series from time to time, subject to the terms and conditions of this Forty-Sixth Bond Resolution (as amended or supplemented from time to time, this "Resolution" or "Forty-Sixth Bond Resolution") and the Indenture (as hereinafter defined) and secured by and payable from the Trust Estate pledged under the Indenture;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT:

## ARTICLE I

### DEFINITIONS

Section 1.01. Terms Defined in the Indenture. Except as provided in Section 1.02, all initially capitalized terms contained in the Indenture when used in this Resolution shall have the same meaning herein as set forth in the Indenture.

Section 1.02. Additional Definitions. In addition to the words and terms defined in the Indenture and elsewhere defined herein, the following words and terms as used herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

“Academic Facilities Projects” means, collectively, those projects constituting “academic facilities” as such term is defined in Title 19 which are defined as such in Section 2.04 of this Resolution, and individually, each of the projects so defined therein, and those projects which pursuant to Section 5.04 hereof are added as Projects.

“Accreted Amount” means the principal amount of any Capital Appreciation Bond as of the date of delivery, plus accrued interest (including compounded interest to the immediately preceding Interest Payment Date), if any.

“Arbitrage Compliance Agreement” means each Arbitrage Compliance Agreement (if any) or such other arbitrage or tax certification respecting payment of arbitrage rebate executed with respect to the Forty-Sixth Resolution Bonds issued on any Issuance Date.

“Authorized Denomination” means \$5,000 or any integral multiple thereof, or such greater amount or multiple as may be set forth in a System Order.

“Auxiliary Facilities Projects” means, collectively, the projects constituting “auxiliary facilities” as such term is defined in Title 19 which are defined as such in Section 2.04 of this Resolution, and individually, each of the projects so defined therein, and those projects which pursuant to Section 5.04 hereof are added as Projects.

“Bond Resolution(s)” means each and all of the Resolutions of the Board which authorize the issuance of Bonds.

“Bonds” has the meaning given that term in the Indenture.

“Capital Appreciation Bonds” are described in Section 2.02 of this Resolution.

“Current Interest Bonds” are described in Section 2.02 of this Resolution.

“Escrow Deposit Agreement” means each agreement by and between the System and the Trustee executed and delivered in accordance with Section 2.07 of this Resolution.

“Fixed Rate Bond” means a Forty-Sixth Resolution Bond bearing interest at a rate which is fixed to the maturity of such Forty-Sixth Resolution Bond.

“Forty-Sixth Resolution Bonds” means the Bonds of the System authorized by this Resolution.

“Forty-Sixth Resolution Rebate Fund” means the fund established pursuant to Section 6.01 of this Resolution and Section 7.01 of the Indenture.

“Indenture” means the Original Indenture, as supplemented and amended by the Supplemental Indenture and as further amended or supplemented from time to time.

“Interest Payment Date” means April 1 and October 1 of each calendar year or such other date or dates as may be prescribed in a System Order and for any Forty-Sixth Resolution Bond paid in full, the date of payment in full of such Forty-Sixth Resolution Bond.

“Issuance Date” means each date on which all or any portion of the Forty-Sixth Resolution Bonds are exchanged for the purchase price thereof.

“Liquidity Facility” means a Credit Facility which shall provide for the payment of the purchase price of Variable Rate Bonds tendered by the holders thereof for purchase as provided in a System Order regarding the issuance of such Variable Rate Bonds but shall not provide for the payment of the principal due on any such Variable Rate Bond at maturity or earlier redemption.

“Liquidity Provider” means the Person who provides a Liquidity Facility.

“Mandatory Sinking Fund Payment” is defined in Section 3.01 of this Resolution.

“Original Indenture” means the Indenture of Trust, dated as of May 1, 1989, by and between the System and the Trustee as approved by the Board of Regents pursuant to the 1989 Series A Bond Resolution of the System adopted May 3, 1989.

“Projects” means, collectively, the Academic Facilities Projects, the Auxiliary Facilities Projects and any other projects for which the proceeds of the Forty-Sixth Resolution Bonds are authorized to be used.

“Record Date” means (a) with respect to Forty-Sixth Resolution Bonds which are Fixed Rate Bonds or which are Variable Rate Bonds then bearing interest at a rate which is fixed for a period of one year or longer, the 15th day of the calendar month immediately preceding an Interest Payment Date, whether or not such day is a Business Day, and (b) with respect to all other Forty-Sixth Resolution Bonds, the Business Day immediately preceding an Interest Payment Date.

“Refunding Bonds” means (i) Forty-Sixth Resolution Bonds of the System authorized by Section 2.06 of this Resolution or (ii) any Bonds issued under the authority of any other Bond Resolution to refund Bonds previously issued to finance any Project or to refund any prior issue of Bonds, including refunding Bonds.

“Sinking Fund Redemption Date” is defined in Section 3.01 of this Resolution.

“Supplemental Indenture” means the First Supplemental Indenture of Trust dated June 14, 1995, by and between the System and the Trustee, which Supplemental Indenture supplements and amends the Original Indenture.

“System Order” means the separate written order with respect to the Forty-Sixth Resolution Bonds issued on any Issuance Date executed by an Authorized System's Representative.

“Variable Rate Bond” means a Forty-Sixth Resolution Bond bearing interest at a rate which is not fixed to the maturity of such Forty-Sixth Resolution Bond.

## ARTICLE II

### FORTY-SIXTH RESOLUTION BONDS

Section 2.01. Authorized Amount of Forty-Sixth Resolution Bonds; Designation and Series; Purpose; Security.

(a) In order to provide sufficient funds to carry out the purposes described in this Section 2.01, and according and subject to the terms, conditions and limitations established in the Indenture and this Resolution, Forty-Sixth Resolution Bonds in an aggregate principal amount not to exceed \$64,950,000 are hereby authorized to be issued on one or more Issuance Dates from time to time as may be prescribed in a System Order regarding each issuance of Forty-Sixth Resolution Bonds, all of which shall be issued for the purposes of financing the Projects. The Forty-Sixth Resolution Bonds shall consist of Current Interest Bonds or Capital Appreciation Bonds or any combination thereof and may be issued from time to time on any Issuance Date. For the purposes of this Section 2.01, the principal amount of Capital Appreciation Bonds shall be the Accreted Amount as of the Issuance Date of such Capital Appreciation Bonds. Each System Order regarding each Issuance Date of the Forty-Sixth Resolution Bonds shall specify the aggregate principal amount of Forty-Sixth Resolution Bonds to be issued. In addition to the title “University System of Maryland Auxiliary Facility and Tuition Revenue Bonds,” each such System Order may prescribe or the Trustee may add to or incorporate into the general title or numerical designation of any Forty-Sixth Resolution Bonds, any words, figures or letters designed to distinguish Forty-Sixth Resolution Bonds issued on a particular Issuance Date from any other Forty-Sixth Resolution Bonds or any other series of Bonds issued on such Issuance Date.

(b) The proceeds from the issuance and sale of the Forty-Sixth Resolution Bonds shall be used for the purposes of financing or refinancing the cost of the Projects described in Section 2.04 hereof.

(c) The intended source of payment for the Forty-Sixth Resolution Bonds designated for Academic Facilities Projects shall be Tuition Revenues and the intended source of payment for the Forty-Sixth Resolution Bonds not designated for Academic Facilities Projects shall be Auxiliary Facilities Fees; provided, however, such intention as to source of payment shall in no way limit the lien of the Trust Estate or the right of the System to use any other source legally available for payment of any of the Forty-Sixth Resolution Bonds.

(d) The Forty-Sixth Resolution Bonds shall be secured as provided in the Indenture.

Section 2.02. General Terms of Forty-Sixth Resolution Bonds.

(a) The Forty-Sixth Resolution Bonds shall be dated as of the date or dates prescribed in a System Order.

(b) The Current Interest Bonds shall bear interest from their date, until paid, at the rate or rates set forth in, or determined in the manner provided in, a System Order (computed on the basis of (a) a 360-day year, composed of twelve 30-day months, in the case of Forty-Sixth Resolution Bonds which are Fixed Rate Bonds or which are Variable Rate Bonds then bearing interest at a rate which is fixed for a period of one year or longer or (b) a 365- or 366-day year, as appropriate, for the number of days elapsed in the case of all other Forty-Sixth Resolution Bonds) payable on each Interest Payment Date, and shall mature on such date or dates as may be prescribed in a System Order, but in no event shall the latest maturity be later than thirty-three (33) years from the Issuance Date of the applicable series of Forty-Sixth Resolution Bonds. Interest on the Capital Appreciation Bonds shall accrue from their date of delivery at the rate or rates and in accordance with the method set forth in a System Order, shall be compounded on April 1 and October 1 of each year or as set forth in a System Order and shall be payable at maturity or earlier on any redemption date, or on such date or dates as may be prescribed in a System Order, but in no event shall the latest maturity be later than thirty-three (33) years from the Issuance Date of the applicable series of Forty-Sixth Resolution Bonds.

(c) The Forty-Sixth Resolution Bonds shall be issuable as registered bonds without coupons in any Authorized Denomination. The Forty-Sixth Resolution Bonds initially shall be issued only in book entry form and an Authorized System's Representative is hereby authorized to enter into such agreements with a Depository as may be necessary or appropriate to issue the Forty-Sixth Resolution Bonds only in book entry form.

(d) The principal of and premium (if any) on the Current Interest Bonds and the principal of, and premium (if any) and interest due at maturity on, the Capital Appreciation Bonds shall be payable at the principal office or the principal corporate trust office of the Trustee, upon surrender of such Bonds at such principal office.

(e) Interest on the Current Interest Bonds shall be paid on each Interest Payment Date for the period from and including the immediately preceding Interest Payment Date for which interest has not theretofore been paid to but excluding the Interest Payment Date on which such payment is to be made. Subject to the terms of any agreement with a Depository and except as otherwise provided in a System Order, interest on the Current Interest Bonds shall be payable by check drawn upon the Trustee and mailed to the Persons in whose names such Current Interest Bonds are registered on the Bond Register as of the close of business on the Record Date immediately before the relevant Interest Payment Date; provided that the payment of interest on any such Current Interest Bonds in an aggregate principal amount equal to or greater than \$1,000,000 registered in the name of one Bondholder may, at the option of such Bondholder, be paid on any Interest Payment Date by wire transfer in federal reserve funds to any bank in the United States of America specified by such Bondholder, upon receipt by the Trustee of written notice on or before the Record Date immediately prior to the first Interest Payment Date upon which such a wire transfer is to be made. If any Bondholder shall elect to receive payment of interest by wire transfer, such election shall remain effective for all subsequent Interest Payment Dates until written notice revoking such election is received by the Trustee on or before the Record Date immediately prior to the Interest Payment Date for which notice of revocation is to be effective.

(f) As provided in the Indenture, the obligation of the System to pay the principal of, and premium (if any) and interest on, the Forty-Sixth Resolution Bonds, shall be secured by and satisfied solely from the Trust Estate.

Section 2.03. Form of Forty-Sixth Resolution Bonds. The Forty-Sixth Resolution Bonds shall be in the form as may, consistent with the Indenture and this Resolution, be approved in a System Order, and shall be executed and delivered as provided in Section 2.09 of the Indenture. Execution of any Forty-Sixth Resolution Bonds consistent with Section 2.09 of the Indenture shall be conclusive evidence of the System's approval thereof.

Section 2.04. Use of Proceeds; Projects Authorized. The following "academic facilities" and "auxiliary facilities" are hereby approved as projects, the costs of which may be paid from the proceeds from the issuance and sale of Bonds:

(a) up to \$5,000,000 of the Forty-Sixth Resolution Bonds for the costs of the following constituting Academic Facilities Project:

University of Maryland, College Park (Prince George's County)  
Infrastructure Project

(b) up to \$25,000,000 of the Forty-Sixth Resolution Bonds for the costs of those Capital Facilities Renewal Projects identified in the Capital Improvement Program approved by the Board for Fiscal Year 2025, as those Projects, from time to time, may be amended, modified, or supplemented by the Board.

(c) the following auxiliary facilities (the “Auxiliary Facilities Projects”) which are further identified and described in the System Funded Construction Program approved by the Board for Fiscal Year 2025, as those Projects, from time to time, may be amended, modified, or supplemented by the Board:

- (1) University of Maryland, College Park (Prince George’s County)  
South Campus Housing Utility and Infrastructure Upgrade
- (2) Bowie State University (Prince George’s County)  
Refurbish Tubman Hall
- (3) University of Maryland Eastern Shore (Somerset County)  
Athletic Fields Upgrade
- (4) Coppin State University (Baltimore City)  
Student Center and Residential Complex (SCRC) Phase 1
- (5) University of Maryland, Baltimore County (Baltimore County)  
The Commons Courtyard Enclosure

In accordance with Section 102(d) of Title 19, and pursuant to Chapter 123 of the 2022 Laws of Maryland, each of the Academic Facilities Projects specified in subsection (a) and (b) above were approved by the Maryland General Assembly as a project for an academic facility. The aggregate amount of Bonds (of all series) designated for Academic Facilities Projects, as provided in Section 6.03 of the Indenture, shall not exceed the amounts specified in (a) and (b) above for the Academic Facilities Projects specified in such Sections.

Section 2.05. Deposit of Forty-Sixth Resolution Bond Proceeds. The System shall direct the payment of the net proceeds of the Forty-Sixth Resolution Bonds, in the following order:

- (a) accrued interest, if any, on those Forty-Sixth Resolution Bonds that are Current Interest Bonds, from their dated date to but excluding the date of delivery thereof, shall be paid to the Trustee and deposited in the Interest Account of the Consolidated Bond Fund;
- (b) proceeds of those Forty-Sixth Resolution Bonds designated as CBF Bonds which are Refunding Bonds shall be applied in accordance with Section 2.07 below; and
- (c) proceeds of those Forty-Sixth Resolution Bonds designated as CBF Bonds which are not Refunding Bonds shall be deposited in the General Construction Fund, in such accounts as may be designated in a System Order.

Section 2.06. Refunding Bonds.

(a) Authority to Issue Refunding Bonds. In addition to the Forty-Sixth Resolution Bonds authorized pursuant to this Resolution, and pursuant to the authority provided in Section 19-108 of Title 19 and Section 2.07(c) of the Indenture, the System is authorized to issue from time to time on any Issuance Date, additional Forty-Sixth Resolution Bonds, as may be

prescribed in a System Order, to refund any Forty-Sixth Resolution Bonds or any other Refunding Bond. The terms and provisions of Section 2.01(a), 2.02 and 2.03 of this Resolution shall govern the terms and provisions of any Refunding Bonds. Proceeds of any Forty-Sixth Resolution Bonds or any other Refunding Bonds may be used for the purpose of paying (i) the principal of, and premium (if any) and interest on any Forty-Sixth Resolution Bonds or any other Refunding Bonds previously issued under authority of this Forty-Sixth Bond Resolution or any other Bond Resolution, and (ii) any costs of issuance of such Forty-Sixth Resolution Bonds or any other Refunding Bonds.

(b) Allocation of Refunding Bonds. Any Refunding Bonds issued pursuant to the authority of this Forty-Sixth Bond Resolution shall be allocated to the Bond Resolution under which such Bonds to be refunded were originally issued without taking into account any premiums or discounts received in connection with the sale of such Bonds or the principal amount of such Refunding Bonds to be applied to pay the principal of, and premium (if any) and interest on any Bonds to be refunded or the costs of issuance of such Refunding Bonds.

#### Section 2.07. Escrow Deposit Agreements.

(a) On each Issuance Date of Refunding Bonds, the System and the Trustee, if advised by Bond Counsel, may execute and deliver an Escrow Deposit Agreement satisfying the requirements of this Section 2.07 and containing such other terms and conditions as the System may deem necessary or appropriate.

(b) Amounts held by the Trustee pursuant to an Escrow Deposit Agreement shall constitute part of the Trust Estate. If, and to the extent that, any Escrow Deposit Agreement provides for the disbursement of amounts for the purpose of paying the principal of, and premium (if any) and interest on, Forty-Sixth Resolution Bonds being refunded, then such amounts shall not be deemed to be held by the Trustee for the benefit of the Refunding Bonds but only for the benefit of the Forty-Sixth Resolution Bonds being refunded, all at such times and with respect to such amounts as may be specified in such Escrow Deposit Agreement. Except as provided in the preceding sentence, or as may be provided in an Escrow Deposit Agreement, amounts held by the Trustee pursuant to such Escrow Deposit Agreement shall be held for the benefit of only the Refunding Bonds issued on such Issuance Date.

(c) The System, pursuant to an Escrow Deposit Agreement, is hereby authorized to require the Trustee to establish from time to time one or more additional funds, accounts or subaccounts under this Resolution.

(d) Amounts held pursuant to an Escrow Deposit Agreement shall be disbursed by the Trustee pursuant to the terms of such Escrow Deposit Agreement for the purpose of paying the principal of, and premium (if any) and interest on, Forty-Sixth Resolution Bonds being refunded and Refunding Bonds identified in such Escrow Deposit Agreement, on or prior to the maturity date thereof.

(e) A single Escrow Deposit Agreement may be executed in connection with the issuance of Refunding Bonds and other Bonds of the System, the proceeds of which are to be



used to refund Outstanding Bonds under the Indenture.

Section 2.08. Consolidation of Bonds. Refunding Bonds (a) may be designated as CBF Bonds under the Indenture and (b) may be consolidated with, and issued together with, any other Bonds authorized to be issued under the Indenture. The proceeds of any Refunding Bonds may be consolidated and commingled with the proceeds of other Bonds issued to refund Outstanding Bonds under the Indenture as part of any Escrow Deposit Agreement that otherwise complies with Section 2.07 of this Resolution.

Section 2.09. Records for Academic Facilities and Auxiliary Facilities. The System shall maintain such books and records and shall make such allocations of the principal amount of Refunding Bonds and the payment of the principal of, and premium (if any) and interest on, such Refunding Bonds, as may be required from time to time in order to comply with the provisions of Section 19-102(e) of Title 19.

### ARTICLE III

#### REDEMPTION OF FORTY-SIXTH RESOLUTION BONDS

##### Section 3.01. Redemption Dates and Prices.

(a) The Forty-Sixth Resolution Bonds shall be subject to redemption, in whole or in part at any time, at the option of the System or on such date or dates and at such price or prices as may be set forth in a System Order. The principal value of any Capital Appreciation Bonds as of any date of redemption shall equal the Accreted Amount.

(b) The Current Interest Bonds or certain of such Current Interest Bonds shall be subject to mandatory redemption, on such date or dates as may be prescribed in a System Order (each such date being a “Sinking Fund Redemption Date”), in such principal amount or amounts and at such price or prices as may be prescribed in a System Order (each such amount being a “Mandatory Sinking Fund Payment”).

##### Section 3.02. Redemption Amounts.

(a) The System may reduce the amount of any Mandatory Sinking Fund Payment payable on any Sinking Fund Redemption Date by an amount equal to the principal amount of Current Interest Bonds subject to such Mandatory Sinking Fund Payment that shall be surrendered uncanceled by the System to the Trustee for such purpose not less than sixty (60) days prior to such Sinking Fund Redemption Date.

(b) In the case of any partial redemption of Current Interest Bonds at the option of the System, the System may select for redemption (i) any one or more subsequent maturities of Current Interest Bonds, and (ii) if any maturity of Current Interest Bonds is subject to Mandatory Sinking Fund Payment, any one or more subsequent Mandatory Sinking Fund Payments to be credited as being paid, provided that the System shall have delivered to the Trustee, not less than

sixty (60) days before such maturity date or Sinking Fund Redemption Date (or such lesser period of time as the Trustee may allow), a System Request stating its election to redeem such Current Interest Bonds in such manner. In such case, the Trustee shall reduce the amount of Current Interest Bonds to be redeemed on the Sinking Fund Redemption Date specified in such System Request by the principal amount of Current Interest Bonds so purchased or redeemed. In the absence of any such direction, the Trustee shall reduce subsequent maturities and Mandatory Sinking Fund Payments proportionately, in increments of the minimum Authorized Denomination, to the extent reasonably practicable.

(c) Any credit given to any Mandatory Sinking Fund Payments shall not affect any remaining or subsequent Mandatory Sinking Fund Payments which shall remain payable as otherwise provided herein, unless and until another credit is given in accordance with the provisions hereof.

(d) In the case of any partial redemption of Forty-Sixth Resolution Bonds, the particular Forty-Sixth Resolution Bonds or portions thereof to be redeemed shall be selected by the Trustee in proportion to the principal amount of Forty-Sixth Resolution Bonds then outstanding, to the maximum extent practicable, and in such manner as the Trustee shall deem fair and equitable; provided, however, that so long as the Forty-Sixth Resolution Bonds are registered in book-entry form with a Depository, the particular Forty-Sixth Resolution Bonds or portions thereof to be redeemed shall be selected by the Depository in such manner as the Depository shall determine. If any Forty-Sixth Resolution Bonds to be redeemed are selected by lot, such method shall be conclusively deemed fair and equitable. In the case of any partial redemption of Forty-Sixth Resolution Bonds, in selecting Forty-Sixth Resolution Bonds for redemption the Bond Registrar shall treat each Forty-Sixth Resolution Bond as representing that number of Forty-Sixth Resolution Bonds as is obtained by dividing the principal amount of such Forty-Sixth Resolution Bond by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of the minimum Authorized Denomination of face value represented by any Forty-Sixth Resolution Bond are to be redeemed, then upon notice of intention to effect such redemption, the Holder of such Forty-Sixth Resolution Bond shall forthwith surrender such Forty-Sixth Resolution Bond to the Trustee (i) for payment of the redemption price (including accrued interest thereon on the date fixed for redemption) of the portion thereof called for redemption and (ii) for exchange for Forty-Sixth Resolution Bonds in any Authorized Denomination or Denominations in the aggregate principal amount of the unredeemed portion of such Forty-Sixth Resolution Bond, which shall be issued to the Holder thereof without charge therefor. If the Holder of any such Forty-Sixth Resolution Bond to be redeemed in part shall fail to present such Forty-Sixth Resolution Bond to the Trustee for payment and exchange, as aforesaid, such Forty-Sixth Resolution Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of the minimum Authorized Denomination of principal amount called for redemption (and to that extent only).

#### ARTICLE IV

#### CONSOLIDATED BOND FUND; ADDITIONAL FUNDS

##### Section 4.01. Payments into Consolidated Bond Fund.

(a) Subject to the provisions of Section 4.01(b) hereof, moneys transferred from the Revenue Fund in respect of the Forty-Sixth Resolution Bonds shall be deposited in the order and amount set forth in Section 5.02 of the Indenture.

(b) In connection with the issuance of any Variable Rate Bonds, the Trustee shall establish such additional accounts within the Consolidated Bond Fund as shall be directed in a System Order relating to such Variable Rate Bonds. Moneys transferred from the Revenue Fund in respect of any Variable Rate Bonds may be deposited in any such additional accounts established within the Consolidated Bond Fund, and the amounts, times and order of priority of deposits to the Interest Account, the Principal Account and any such additional accounts established within the Consolidated Bond Fund with respect to such Variable Rate Bonds shall be as set forth in such System Order.

#### Section 4.02. Disbursements from Consolidated Bond Fund.

(a) Subject to the provisions of Section 4.02(b) hereof, the Trustee is hereby authorized and directed to withdraw and disburse moneys in the Consolidated Bond Fund in the order and amount, and for the purposes, set forth in Section 5.03 of the Indenture.

(b) In connection with the issuance of any Variable Rate Bonds, the Trustee shall be authorized and directed to withdraw and disburse moneys in the Principal Account, the Interest Account and any additional accounts established pursuant to Section 4.01(b) hereof within the Consolidated Bond Fund in the order and amounts, and for the purposes, set forth in the System Order relating to such Variable Rate Bonds.

#### Section 4.03. Establishment of Additional Funds or Accounts.

(a) In addition to any accounts established by the Trustee pursuant to Section 4.01(b) and 4.02(b) hereof, there may be established within the Consolidated Bond Fund, pursuant to the System Order regarding the issuance of any series of the Forty-Sixth Resolution Bonds or as requested by the Authorized System's Representative, such additional trust accounts as shall be necessary or convenient in connection therewith and as shall be permitted pursuant to Section 5.01 of the Indenture. Deposits to and payments from such separate funds or accounts shall be as set forth in such System Order, subject in all events to the provisions of the Indenture.

### ARTICLE V

#### GENERAL CONSTRUCTION FUND

Section 5.01. Deposit to General Construction Fund. Upon receipt by the Trustee of the moneys specified in Section 2.05(c) hereof, such moneys shall be deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account of the General Construction Fund, in such amounts as may be specified in a System Order.

Section 5.02. Deposit of Moneys Transferred from the Forty-Sixth Resolution Rebate Fund. Any moneys transferred from the Forty-Sixth Resolution Rebate Fund to the General Construction Fund shall be deposited in the Academic Facilities Project Account and the Auxiliary

Facilities Project Account in such amounts as may be specified in a System Request.

Section 5.03. Disbursements

(a) Proceeds of the Forty-Sixth Resolution Bonds deposited in the Academic Facilities Project Account and the Auxiliary Facilities Project Account of the General Construction Fund shall be disbursed in accordance with the provisions of Section 6.03 of the Indenture for the Costs of the Projects.

(b) Upon completion of the Projects, any moneys remaining in the General Construction Fund (other than moneys retained to pay costs, expenses and interest not then due and payable) shall be transferred to the Excess Proceeds Account and shall be held and disbursed by the Trustee in accordance with Section 6.04 of the Indenture.

Section 5.04. Additions to and/or Deletions from the Academic Facilities Projects and the Auxiliary Facilities Projects to be Financed.

(a) The System, without the consent of the Trustee or the Holders of the Forty-Sixth Resolution Bonds, may from time to time amend Section 2.04 hereto to include as a Project any “academic facilities” as such term is defined in Title 19, to be constructed by the System and items of equipment to be acquired or installed by the System for which the use of Forty-Sixth Resolution Bond proceeds is authorized pursuant to Title 19, as confirmed by an approving opinion of Bond Counsel, or to delete from Section 2.04 any Academic Facility Project listed therein; provided, however, that each item shall have been approved by the General Assembly of the State of Maryland pursuant to Section 19-102(d) of Title 19. In connection with any such amendment of Section 2.04, the System shall deliver to the Trustee the amended Section 2.04 together with a System Certificate approving such amendment and certifying that each item set forth in Section 2.04, as so amended, qualifies as such an academic facility.

(b) The System, without the consent of the Trustee or the Holders of the Forty-Sixth Resolution Bonds, may from time to time amend Section 2.04 hereto to include as an Auxiliary Facilities Project any other “auxiliary facilities,” as such term is defined in Title 19, to be constructed by the System and items of equipment to be acquired or installed by the System for which the use of Forty-Sixth Resolution Bond proceeds is authorized pursuant to Title 19, as confirmed by an approving opinion of Bond Counsel or to delete from Section 2.04 auxiliary facility projects listed therein to be acquired or constructed by the System and items of equipment to be acquired and installed by the System. In connection with any such amendment of Section 2.04 the System shall deliver to the Trustee the amended Section 2.04 together with a System Certificate approving such amendment and certifying that each item set forth in Section 2.04, as so amended, qualifies as such an auxiliary facility.

Section 5.05. Authorization for Use of Proceeds of Forty-Sixth Resolution Bonds for Other Projects. As provided in the Indenture, all monies in the General Construction Fund may be disbursed to pay for the costs of any Auxiliary Facilities Project and any Academic Facilities Project. The proceeds of the Forty-Sixth Resolution Bonds deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to prior Bond Resolutions and any Projects authorized pursuant to this Forty-Sixth Bond Resolution. In addition,

the proceeds of the Forty-Sixth Resolution Bonds deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to subsequent Bond Resolutions without amending any other Bond Resolution and without the necessity of any amendment to this Forty-Sixth Bond Resolution or the consent of the Trustee or any Holder of the Forty-Sixth Resolution Bonds.

Section 5.06. Authorization for Use of Proceeds of Bonds from Prior Bond Resolutions for Projects. As provided in the Indenture, all monies in the General Construction Fund may be disbursed to pay for the costs of any Auxiliary Facilities Project and any Academic Facilities Project. The proceeds of any Bonds heretofore or hereafter issued under any prior Bond Resolutions and deposited in the General Construction Fund are hereby authorized to be used for any Projects authorized pursuant to this Forty-Sixth Bond Resolution.

## ARTICLE VI

### REBATE FUND

Section 6.01. Rebate Fund. The Trustee if directed shall establish such Rebate Fund in connection with the Forty-Sixth Resolution Bonds as shall be directed in a System Order relating to any such Forty-Sixth Resolution Bonds and as provided in the Indenture. To the extent not inconsistent with the provisions of the Indenture, such System Order may restrict such Rebate Fund for use in connection with the Forty-Sixth Resolution Bonds or may permit the use of such Rebate Fund in connection with other series of Bonds hereafter issued under the Indenture. Deposits shall be made to, and disbursements may be made from, such Rebate Fund as provided in such System Order, to the extent not inconsistent with the provisions of the Indenture.

## ARTICLE VII

### ADDITIONAL PERMITTED INVESTMENTS

Section 7.01. Additional Permitted Investments. As permitted by clause (i) of the definition of Permitted Investments of the Indenture, the following are added as Permitted Investments for the investment of the proceeds of the Forty-Sixth Resolution Bonds and all Funds established by this Resolution:

(a) Repurchase, resale and other similar agreements with any person provided (i) such agreements are continuously collateralized with Government Obligations, (ii) the market value of the collateral is not less than one hundred two percent (102%) of the repurchase price (including interest), (iii) the Trustee or a third party acting as agent or custodian of the collateral solely for the Trustee has possession of the collateral, (iv) the collateral is free and clear of all liens and encumbrances, (v) the Trustee shall be entitled to liquidate the collateral if the requirement of subclauses (i) and (ii) are not continuously satisfied and (vi) the Trustee shall have a first priority perfected security interest in the collateral;

(b) Investment agreements, the provider of which is rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) by two Rating Agencies;

and

- (c) Investment agreements issued by any provider:
  - (i) that is rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) of a Rating Agency, or
  - (ii) whose obligations under such investment agreements are unconditionally guaranteed by parent entities or other third parties that are rated in one of the two highest rating categories (without regard to qualification, numerical or otherwise) from a Rating Agency, or
  - (iii) who satisfies the rating requirements of clause (i) or (ii) above and whose obligations under such investment agreements are collateralized by obligations described in clauses (a), (b), (d) or (e) under the definition of “Permitted Investments” in the Indenture or in clauses (a) or (b) above of this Article VII and which are delivered to the Trustee, or registered in the name of the Trustee, or are supported by a safekeeping receipt issued by a depository satisfactory to the Trustee, provided that such investment agreements must provide that the value of such obligations collateralizing such investment agreements shall be maintained at a current market value (determined not more frequently than monthly) of not less than 102% of the aggregate amount of the obligations of such financial institution, insurance company or financial services firm;

provided, however, that any investment agreement, at the time it is entered into, must meet and comply with the requirements of clause (i), (ii) or (iii) above.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.01. Supplemental Resolutions. The System may, without the consent of, or notice to, any of the Bondholders, enter into a resolution or resolutions supplemental hereto which shall not be inconsistent with the terms and provisions hereof, provided that, in the opinion of Counsel to the Trustee, the change effected thereby is not to the prejudice of the interests of the Trustee or the Bondholders as permitted by Section 13.01 of the Indenture.

Section 8.02. Limitation of Rights. With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Forty-Sixth Resolution Bonds is intended or shall be construed to give to any Person other than the System, the Trustee and the Holders of the Forty-Sixth Resolution Bonds, any legal or equitable right, remedy or claim under or in respect to this Resolution or any agreements, conditions and provisions herein contained; this Resolution and all of the agreements, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the System, the Trustee and the Holders of the Forty-Sixth Resolution Bonds as herein provided.

Section 8.03. Severability. If any provision of this Resolution shall be invalid, illegal or unenforceable because it conflicts with any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

Section 8.04. Immunity of Regents and Officers. No recourse for the payment of the principal of or premium (if any) or interest on, any Forty-Sixth Resolution Bond or for any claim based thereon or otherwise in respect thereof or of this Resolution shall be had against any member of the Board of Regents or officers or employees of the System whether past, present or future, whether by virtue of any constitution, statute or rule of law, all such liability (if any) being hereby expressly waived and released as a condition of and in consideration of the issuance of the Forty-Sixth Resolution Bonds.

Section 8.05. Private Use of the Projects. The System covenants that it will not make, or (to the extent the System exercises control or direction) permit to be made, any use of the Projects, or any portion thereof, by any other Person, if such use would cause those Forty-Sixth Resolution Bonds to be "private activity bonds" within the meaning of Section 141 of the Code, unless the System and the Trustee receive an opinion of Bond Counsel to the effect that such use does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Forty-Sixth Resolution Bonds, if any.

Section 8.06. Sale of Forty-Sixth Resolution Bonds. As permitted by Title 19, the Board of Regents hereby finds and determines that the best interests of the System will be served by selling each issuance of the Forty-Sixth Resolution Bonds at either a public competitive sale or a private (negotiated) sale as the Chancellor of the System deems to be in the best interest of the System at such prices, which may be at, above or below par, as the Chancellor of the System deems to be in the best interest of the System. In the event that two bidders offer to purchase an issue of the Forty-Sixth Resolution Bonds at the same lowest true interest cost at a public competitive sale, the Chancellor of the System shall determine in his sole discretion to which of the bidders such issue of the Forty-Sixth Resolution Bonds will be awarded. In the event of a private (negotiated) sale the Chancellor of the System shall select the purchaser of such issue of the Forty-Sixth Resolution Bonds which the Chancellor of the System deems to be in the best interest of the System.

Section 8.07. Official Statement. There is hereby authorized to be prepared and distributed, in conjunction with each issuance and sale of the Forty-Sixth Resolution Bonds, both a preliminary and a final official statement (the "Official Statement"). The preliminary official statement and the final official statement shall be in the form approved by either of the Chairperson of the Board of Regents or the Chancellor of the System whose execution by either of them shall be conclusive evidence of the approval thereof. The Chairperson of the Board of Regents and the Chancellor of the System, acting jointly or individually, are hereby authorized to execute by their manual or facsimile signatures and to deliver in the name of and on behalf of the System the Official Statement regarding each issuance of the Forty-Sixth Resolution Bonds and to deem the Official Statement as final for the purposes of Securities Exchange Act Rule 15c2-12, as amended

or supplemented from time to time, or any successor law, rule or regulation (“Rule 15c2-12”).

Section 8.08. Continuing Disclosure. The Chairperson of the Board of Regents and the Chancellor of the System, acting jointly or individually, are hereby authorized to enter into one or more continuing disclosure agreements with respect to information contained in, or matters relating to, the Official Statement for any Forty-Sixth Resolution Bonds and any other Bonds of the System. Any person designated as an “Authorized System’s Representative” under the Indenture is hereby authorized to prepare and file with the Municipal Securities Rulemaking Board such financial or other information as may be required to comply with the requirements of Rule 15c2-12, and to delegate the preparation and filing of any such information to any other officer or employee of the System. The System’s bond counsel is also designated as an agent for the System for purposes of preparing and filing any such information.

Section 8.09. Absence of Chairperson or Chancellor. If the Chairperson of the Board of Regents is unable to act or unavailable for any reason, or such position is vacant, the Chairperson of the Finance Committee of the Board of Regents is hereby authorized and empowered to act in place of the Chairperson of the Board of Regents, and if the Chancellor of the System is unable to act or unavailable for any reason, or such position is vacant, the Vice Chancellor for Administration and Finance is hereby authorized and empowered to act in place of the Chancellor of the System.

Section 8.10. Further Actions. The Chairperson of the Board of Regents, the Chairperson of the Finance Committee, the Secretary and Assistant Secretary of the Board of Regents of the System, the Chancellor of the System, and the Vice Chancellor for Administration and Finance of the System and other officials of the System are hereby authorized and empowered to do all acts and things and execute such instruments, documents and certificates (including all necessary closing certificates) and otherwise take all action necessary, proper or expedient in connection with each issuance, sale and delivery of the Forty-Sixth Resolution Bonds.

Section 8.11. Validity of Signatures. In the event any Regent or officer of the System who has executed any bond, document, certificate or other matter ceases to be a Regent or officer before delivery, the signature is valid and sufficient for all purposes as if the Regent or officer had remained in office until delivery.

Section 8.12. Declaration of Official Intent. Any person designated as an “Authorized System’s Representative” under the Indenture is hereby authorized to adopt a declaration of official intent (within the meaning of Treasury Regulations Section 1.150-2) to reimburse the costs of any project with the proceeds of any bonds or other obligations issued by the System under the authority of Title 19 or any other provision of the laws of Maryland.

Section 8.13. Liberal Construction. The terms of this Forty-Sixth Bond Resolution are not intended to be restrictive or technical. Accordingly, this Forty-Sixth Bond Resolution shall be liberally construed in order to carry out and effectuate the purposes set forth herein and in Title 19.



AND BE IT FURTHER RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT this Resolution shall be effective on the date of its adoption by the Board of Regents.

ADOPTED, this 14th day of June, 2024.

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Ellen Herbst  
Sr. Vice Chancellor for Administration and Finance

**TOPIC:** University System of Maryland: Official Intent Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** The University System authorizes capital projects to be funded from revenue bond proceeds on an annual basis. Debt issuances are sized to provide approximately one year's worth of bond proceeds for projected spending on these authorized revenue bond projects. Because of debt issuance timing and project estimates changing, the System often uses Cash Funding to pay for project costs, with the intent of reimbursing itself with Bond Funds when they become available. IRS rules require this resolution for reimbursement of advance payments from future bond issuances.

In the event bond funds become fully depleted prior to the next debt issuance, the System will use Cash Funding to bridge the gap until the next bond issuance. The process and record-keeping infrastructure necessary to facilitate initially paying the project costs from System cash balances and then reimbursing the amounts spent from the proceeds of the next bond issue have been formalized and are in place.

The attached Exhibit A represents all of the projects authorized for revenue bond funding which may potentially utilize System cash balances over the next several months. Based on the Current Project Authorization Balances in Exhibit A, we anticipate System cash will be spent on costs eligible for reimbursement prior to the next issuance.

**BOND COUNSEL:** Miles & Stockbridge P.C.

**ALTERNATIVE(S):** The Board of Regents could decide to not spend System cash balances temporarily pending the next bond issuance and advance the issuance process immediately. This would potentially delay the projects.

**FISCAL IMPACT:** There is no known fiscal impact associated with this resolution.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the attached resolution to enable the spending of System cash balances on revenue bond-authorized projects to be reimbursed from the proceeds of the next bond issue.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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OFFICIAL INTENT RESOLUTION  
UNDER TREASURY REGULATION SECTION 1.150-2

WHEREAS, University System of Maryland (the "Issuer") proposes to make certain capital expenditures in connection with the construction of certain capital projects as listed on Exhibit A attached hereto and made a part hereof (collectively, the "Capital Project").

WHEREAS, the Issuer intends to issue tax-exempt bonds (the "Bonds") to finance all or a portion of the purchase price, acquisition and installation expenses, costs of related construction and improvements and issuance costs of the Capital Project, all constituting capital expenditures (collectively referred to as the "Project Costs").

WHEREAS, the Issuer reasonably expects that a portion of the Project Costs will be paid by the Issuer prior to the issuance of the Bonds and that certain proceeds of the Bonds will be used to reimburse the Issuer for the Project Costs paid by the Issuer prior to the issuance of the Bonds.

NOW, THEREFORE, THE ISSUER MAKES THE FOLLOWING DECLARATION OF OFFICIAL INTENT:

1. BE IT RESOLVED, that the Issuer reasonably expects that a portion of the Project Costs will be paid by the Issuer prior to the issuance of the Bonds and that certain proceeds of the Bonds will be used to reimburse the Issuer for those Project Costs incurred and paid by the Issuer prior to the issuance of the Bonds. The Bonds will be issued in a total principal amount not to exceed \$150,000,000.

2. BE IT FURTHER RESOLVED, that the Issuer intends that the adoption of this Resolution shall be and constitute an "official intent resolution" within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department.

AND BE IT FURTHER RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND THAT this Resolution shall be effective on the date of its adoption by the Board of Regents.

ADOPTED, this 14<sup>th</sup> day of June, 2024

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Ellen Herbst  
Sr. Vice Chancellor for Administration and Finance  
University System of Maryland

Res	Project Type	Project Name	Original	Allocation USM Emergency	Adjusted Authorization	Balance to be Financed	FY2024 Activity
Various		<b>Systemwide Facilities Renewal:</b>	226,710,271		226,710,271	69,589,510	2,706,768
46	<b>Acad</b>	UMCP Infrastructure Project	5,000,000		5,000,000	5,000,000	
46	<b>Aux</b>	UMCP S Campus Housing Utility and Infrastructure	6,000,000		6,000,000	6,000,000	
46	<b>Aux</b>	BSU Refurbish Tubman Hall	10,050,000		10,050,000	10,050,000	
46	<b>Aux</b>	UMES Athletic Fields Upgrade	4,900,000		4,900,000	4,900,000	
46	<b>Aux</b>	CSU Student Center & Residential Complex Ph I	9,000,000		9,000,000	9,000,000	
46	<b>Aux</b>	UMBC The Commons Courtyard Enclosure	5,000,000		5,000,000	5,000,000	
45	<b>Acad</b>	UMCP Infrastructure Project	5,000,000		5,000,000	4,728,897	110,115
45	<b>Acad</b>	USG Campus Building Improvement	431,976		431,976	431,976	
45	<b>Acad</b>	USM-H Building/System Improvement	45,627		45,627	45,627	
45	<b>Acad</b>	USMSM Building/System Improvement	59,858		59,858	59,858	
45	<b>Aux</b>	UMCP S Campus Housing Utility and Infrastructure	8,000,000		8,000,000	8,000,000	
45	<b>Aux</b>	TU 401 Washington Renovation	10,000,000		10,000,000	10,000,000	
44	<b>Acad</b>	UMCP Infrastructure Project	2,500,000		2,500,000	1,185,315	206,836
44	<b>Acad</b>	UMES Campus Flood Mitigation Project	2,192,000		2,192,000	2,192,000	
44	<b>Aux</b>	UMCP High Rise Residence Halls Renovation PH	6,850,000		6,850,000	6,850,000	
44	<b>Aux</b>	TU Glen Towers Addition and Renovation	9,046,000		9,046,000	9,046,000	
44	<b>Aux</b>	TU 401 Washington Renovation	5,000,000		5,000,000	4,893,493	51,873
43	<b>Acad</b>	UMCP Infrastructure Project	5,000,000		5,000,000	1,513,064	365,002
43	<b>Acad</b>	USMSM Building #1 Roof Replacement		600,000	600,000	600,000	
43	<b>Aux</b>	TU University Union Expansion and Renovation	8,000,000		8,000,000	620,254	51,598
43	<b>Aux</b>	UMB Saratoga Garage Structural & Building System Repairs	2,700,000		2,700,000	2,700,000	
43	<b>Aux</b>	FSU Residence Hall Renovations	1,000,000		1,000,000	1,000,000	
43	<b>Aux</b>	TU Glen Towers Addition and Renovations	20,000,000		20,000,000	7,495,213	543,529
42	<b>Acad</b>	UMCP Campuswide Building and Infrastructure	5,000,000		5,000,000	3,191,570	40,501
42	<b>Acad</b>	UMES Flood Mitigation	10,000,000		10,000,000	5,640,579	64,095
42	<b>Acad</b>	FSU Education & Health Sciences	5,000,000		5,000,000	3,415,890	1,988
42	<b>Aux</b>	TU Union Addition/Renovation	25,100,000		25,100,000	40,909	
41	<b>Acad</b>	UMES Pharmacy and Health Professions	5,000,000		5,000,000	2,806,182	2,379
41	<b>Aux</b>	UMCP High Rise Residence halls Renovation	1,500,000		1,500,000	1,474,698	17,428
41	<b>Aux</b>	FSU New Residence Hall	13,330,000		13,330,000	12,667	
41	<b>Aux</b>	FSU Five Dorm Renovation	7,700,000		7,700,000	3,531,481	
41	<b>Aux</b>	TU Union Addition/Renovation	13,000,000		13,000,000	15,881	
41	<b>Aux</b>	TU Glen Towers Addition and Renovation	4,201,000		4,201,000	811,647	14,605
40	<b>Acad</b>	UMBC Interdisciplinary Life Science Building	5,000,000		5,000,000	1,370,451	
40	<b>Acad</b>	UMCP Chiller Replacement		130,000	130,000	130,000	
40	<b>Acad</b>	USMSM Concrete Replacement		88,000	88,000	88,000	
40	<b>Acad</b>	USG Building 2 Interior Renovations		315,000	315,000	315,000	
40	<b>Aux</b>	UMCP Rossborough Lane Parking Garage	2,000,000		2,000,000	1,528,245	
39	<b>Acad</b>	UMES Trigg Hall Small Animal Facility Renov		200,000	200,000	91,304	
39	<b>Aux</b>	TU Union Addition/Renovation	39,000,000		39,000,000	69,981	6,215

**TOPIC:** Proposed Amendment to USM Policy VIII-2.70 Policy on Student Classification for Admission and Tuition Purposes

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** The USM Policy on Student Classification for Admission and Tuition Purposes requires regular review to remain consistent with changes to state and federal law. In addition, students and their families often have questions about this policy and ask for clarification. USM residency officers have an affinity group, which meets biweekly, and they use this time to ensure consistent application of the policy and to address new questions as they arise.

The proposed edits in the attached document will:

- a) align the policy with new federal laws that require in-state tuition charges for members of the US Foreign Service and their spouses and children and for citizens of Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau;
- b) remove the requirement for a Maryland voter registration as that can be obtained very quickly and adds a requirement for in-state status without necessarily adding demonstration of residency duration;
- c) add Maryland voter registration to be used as part of a set of documents for rebuttal evidence in the petition process to demonstrate residency and the intent to remain in Maryland permanently; and
- d) clarify some phrasing in the policy.

The USM Office of Academic and Student Affairs worked with the Office of the Attorney General to draft the proposed amendments.

**ALTERNATIVE(S):** The Regents may request that only changes required by federal law be made.

**FISCAL IMPACT:** Only the changes related to federal law have fiscal impact, and that impact should be relatively modest. We anticipate a handful of students with connections to the Foreign Service will be eligible this year. There could be additional students from Micronesia, the Marshall Islands, or Palau, but we do not anticipate that there would be substantial impact.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the proposed amendment to USM's Policy on Student Classification for Admission and Tuition Purposes, as presented.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923 Alison Wrynn (301) 445-1992

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# REDLINE

## VIII-2.70—POLICY ON STUDENT CLASSIFICATION FOR ADMISSION AND TUITION PURPOSES

(Approved by the Board of Regents August 28, 1990; Amended July 10, 1998; Amended November 27, 2000; Amended April 11, 2003; Amended June 23, 2006; Amended February 15, 2008; Amended October 24, 2014; Amended April 10, 2015; Amended February 17, 2017; Amended June 16, 2017; Amended April 19, 2019; Amended June 17, 2021; Amended June 17, 2022; Amended June 16, 2023; Amended June 14, 2024).

### I. POLICY

#### A. Purpose

To extend the benefits of its system of higher education while encouraging the economical use of the State's resources,<sup>1</sup> it is the policy of the Board of Regents of the University System of Maryland (USM) to recognize the categories of in-state and out-of-state residency for the purpose of admission and assessing tuition at USM institutions.

#### B. Qualification for In-State Status

Generally, to qualify for in-state status, prospective, returning, or current students must demonstrate that they are permanent Maryland residents. Under certain circumstances, as set forth in this Policy, students who are not permanent Maryland residents may qualify temporarily for in-state status. Students who do not qualify for in-state status under this Policy shall be assigned out-of-state status for admission and tuition purposes.

#### C. Standard of Proof

Students seeking in-state status shall have the burden of proving by clear and convincing evidence that they satisfy the requirements and standards set forth in this Policy. Assignment of in-state or out-of-state status will be made by each USM institution upon a review of the totality of facts known by the institution or presented to it by the student.

### II. DETERMINATION OF RESIDENCY STATUS

#### A. Criteria for Determination of Residency Status

An initial determination of residency status will be made at the time of admission and readmission based upon information provided by the student with the signed application certifying that the information provided is complete and correct. Additional information may be requested by the institution to clarify facts presented. To qualify for in-state status, the student must demonstrate that for at least 12 consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state status, the student had the continuous intent to reside in Maryland indefinitely and for a primary purpose other than that of attending an educational institution in Maryland. The student will demonstrate the requisite intent by satisfying all of all the following requirements for the 12-month period (or shorter period indicated):

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<sup>1</sup> Annotated Code of Maryland, Educ. ~~Art.~~ § 12-101.

- 1) Has continuously maintained primary living quarters in Maryland.
- 2) Has substantially all personal property, such as household effects, furniture, and pets, in Maryland.
- 3) Has paid Maryland income tax on all taxable income, including all taxable income earned outside Maryland, and has filed a Maryland Resident Tax Return. If the student is a dependent for tax purposes, then the person who claims the student as a dependent shall have paid Maryland income tax on all taxable income, including all taxable income earned outside Maryland, and have filed a Maryland **Resident Tax Return**. ~~an income tax return~~
- 4) Has registered all owned or leased motor vehicles in Maryland for at least 12 consecutive months, if previously registered in another state. Students who have lived in Maryland for at least 12 consecutive months but who have had their motor vehicle(s) registered in Maryland for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their owned or leased motor vehicle(s) was (were) registered in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.
- 5) Has possessed a valid Maryland driver's license for at least 12 consecutive months, if previously licensed to drive in another state. Students who have lived in Maryland for at least 12 consecutive months but who have held a Maryland driver's license for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their driver's license was issued in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.
- ~~6) Is currently registered to vote in Maryland, if previously registered to vote in another state (no time requirement).~~
- ~~7)6) Receives no public assistance from a state other than the State of Maryland or from a city, county, or municipal agency other than one in Maryland.~~
- ~~8)7) Has a legal the ability under Federal and Maryland law to live permanently and without interruption in Maryland.~~

#### B. Presumption of Out-of-State Status

Either of the following circumstances raises a presumption that the student is residing in the State of Maryland primarily for the purpose of attending an educational institution and, therefore, does not qualify for in-state status under this Policy:

- 1) A student is attending school or living outside Maryland at the time of application for admission to a USM institution, or
- 2) A student is Financially Dependent on a person who is not a resident of Maryland. A student will be considered **F**financially **I**ndependent if the student provides 50 percent or more of the student's own living and educational expenses and has not been claimed as a dependent on another person's most recent tax returns.

### III. CHANGE IN CLASSIFICATION FOR TUITION PURPOSES

#### A. Petition for Change in Classification for Tuition Purposes

After the initial determination is made, a student seeking a change to in-state tuition status must submit a Petition for Change in Classification for Tuition Purposes that includes all ~~of~~ the information the student wishes the institution to consider. All information must be submitted by the institution's deadline for submitting a petition; ~~for the semester for which the student seeks reclassification before or within the semester for which the student seeks reclassification.~~ Only one Petition may be filed per semester.

#### ~~Criteria for Change in Tuition Status~~

#### B. Criteria for Changes in Tuition Status

A student seeking reclassification from out-of-state to in-state tuition status must demonstrate, by clear and convincing evidence, that for at least twelve (12) consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state tuition status, the student had the continuous intent to

- ~~a1~~) make Maryland the student's permanent home;
- ~~b2~~) abandon the student's former home state;
- ~~c3~~) reside in Maryland indefinitely; and
- ~~d4~~) reside in Maryland primarily for a purpose other than that of attending an educational institution in Maryland.

A student will demonstrate the requisite intent by satisfying ~~all of all~~ the following requirements for a period of at least twelve (12) consecutive months (or for the shorter period of time indicated) immediately prior to and including the last date available to register for courses in the semester/term for which the student seeks in-state tuition status. Evidence of intent must be clear and convincing and will be evaluated not only by ~~how completely the criteria are addressed, the amount presented,~~ but also based upon the reliability, authenticity, credibility, and relevance of the evidence and the totality of facts known to the institution. The student must demonstrate (providing appropriate documentation as necessary) that for the relevant period the student:

- 1) Continuously maintained primary living quarters in Maryland.
- 2) Has substantially all personal property, such as household effects, furniture, and pets, in Maryland.
- 3) Has paid Maryland income tax on all taxable income including all taxable income earned outside the state and has filed a Maryland Resident Tax Return. If the student is a dependent for tax purposes, then the person who claims the student as a dependent shall have paid Maryland income tax on all taxable income, including all taxable income earned outside Maryland, and have filed a Maryland Resident Tax Return.
- 4) Has registered all owned or leased motor vehicles in Maryland for at least 12 consecutive months, if previously registered in another state. Students who have lived in Maryland for at



least 12 consecutive months but who have had their motor vehicle(s) registered in Maryland for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their owned or leased motor vehicle(s) was (were) registered in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.

- 5) Has possessed a valid Maryland driver's license for at least 12 consecutive months, if previously licensed to drive in another state. Students who have lived in Maryland for at least 12 consecutive months but who have held a Maryland driver's license for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their driver's license was issued in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.

~~6) — 6) Is currently registered to vote in Maryland, if previously registered to vote in another state (no time requirement).~~

~~7) —~~

~~8) 7) Receives no public assistance from a state other than the State of Maryland or from a city, county, or municipal agency other than one in Maryland.~~

~~9) 7) Has the a legal ability under Federal and Maryland law to live permanently without interruption in in Maryland.~~

~~10) 8) Has either not raised the presumption set forth in Section II.B above; or alternatively, if the student's circumstances have raised the presumption set forth in Section II.B above, the student has rebutted that presumption.~~

#### B.C. Rebuttal Evidence to Support a Change in Tuition Status

If the information received by the institution about the student has raised the presumption set forth in Section II.B, the student bears the burden of rebutting the presumption set forth in Section II.B by presenting additional evidence of objectively verifiable conduct to rebut the presumption and show the requisite intent. Rebuttal evidence of intent must be clear and convincing and will be evaluated not only by how completely the criteria are addressed, the amount presented but also based upon the reliability, authenticity, credibility and relevance of the evidence and the totality of facts known to the institution.

Evidence that does not document a period of at least twelve (12) consecutive months immediately prior to and including the last date available to register for courses in the semester/term for which the student seeks in- state tuition status is generally considered an unfavorable factor under this Policy. The absence of objective, relevant evidence is generally considered an unfavorable factor. A student's statement of intent to remain in Maryland in the future is generally not considered to be objective evidence under this Policy.

For purposes of rebutting the presumption, additional evidence that will be considered includes, but is not limited to:

- 1) Source of financial support:
  - a. Maryland employment and earnings history through sources beyond those incident to enrollment as a student in an educational institution, e.g., beyond support provided by work study, scholarships, grants, stipends, aid, student loans,

etc. (Tuition costs will be considered as a student expense only to the extent tuition exceeds the amount of any educational scholarships, grants, student loans, etc.), or

- b. Evidence the student is Financially Dependent, for the previous 12 months, upon a person who is a resident of Maryland.
- 2) Substantial participation as a member of a professional, social, community, civic, political, athletic, or religious organization in Maryland, including professionally related school activities that demonstrate a commitment to the student's community or to the State of Maryland.
- 3) Registration as a Maryland resident with the Selective Service, if applicable.
- 4) Evidence that the student is married to a Maryland resident.
- 5) Evidence that the student attended schools in Maryland for grades K-12.
- 6) Evidence showing the student uses the student's Maryland address as the sole address of record for all purposes, including, for example, on health and auto insurance records, bank accounts, tax records, loan and scholarship records, school records, military records, leases, etc.
- 7) An affidavit from a person unrelated to the student that provides objective, relevant evidence of the student's conduct demonstrating the student's intent to reside in Maryland primarily for a purpose other than that of attending an educational institution in Maryland.
- 8) Evidence of life and employment changes that caused the student to relocate to Maryland for reasons other than primarily educational purposes (e.g., divorce, family relocation, taking care of a sick family member, etc.)

8)9) Voter registration in Maryland.

C-D. Appeal

A student may appeal an adverse decision on a Petition for Change in Classification.

D-E. Change in Circumstances Altering In-State Status

A student shall notify the USM institution in writing within fifteen (15) days of any change in circumstances which may alter in-state status. Failure to do so could result in retroactive charges for each semester/term affected.

E-F. Incomplete, Untimely, False or Misleading Information

If necessary information is not provided by the institution's deadline, the USM institution may, at its discretion, deny or revoke in-state status. In the event incomplete, false, or misleading information is presented, the USM institution may, at its discretion, revoke in-state status and take disciplinary action provided for by the institution's policies. Such action may include suspension or expulsion. In such cases, the institution reserves the right to retroactively assess all out-of-state charges for each semester/term affected.

#### IV. CRITERIA FOR TEMPORARY QUALIFICATION OF NON-RESIDENTS FOR IN-STATE STATUS

Non-residents with the following status shall be accorded the benefits of in-state status for the period in which they hold such status, if they provide clear and convincing evidence through documentation, by the institution's deadline for the semester for which they seek in-state status, showing that they fall within one of the following categories:

- A. A full-time or part-time (at least 50 percent) regular employee of USM or a USM institution.
- B. The spouse or Financially Dependent child of a full-time or part-time (at least 50 percent) regular employee of USM or a USM institution.
- C. Active duty members of the Armed Forces of the United States as defined in 38 U.S.C.A. § 101(10) as the United States Army, Navy, Marine Corps, Air Force, Space Force, and Coast Guard, including the reserve components thereof (Army National Guard and Air National Guard), who are stationed in Maryland, reside in Maryland, or are domiciled in Maryland, or their spouse or financially dependent children, as provided in § 15-106.4 of the Education Article, Annotated Code of Maryland. Spouses and children who qualify for exemptions under this provision will retain in-state status for tuition purposes as long as they are continuously enrolled, regardless of whether the active duty member's station assignment, residence, or domicile remains in Maryland.
- D. Veterans of the Armed Forces of the United States who provide documentation that they were honorably discharged and currently reside or are domiciled in Maryland, as provided in § 15-106.4 of the Education Article, Annotated Code of Maryland.
- E. Veterans who live in Maryland and were discharged from a period of at least 90 days of service in the active military, naval, space, or air service and are pursuing a course of education with educational assistance under the Montgomery G.I. Bill<sup>®</sup> (38 U.S.C. Ch. 30) or the Post-9/11 G.I. Bill<sup>®</sup> (38 U.S.C. Ch. 33), pursuant to 38 U.S.C. § 3679(c).<sup>2</sup> A veteran so described will continue to retain in-state status if the veteran is using educational benefits under either chapter 30 or chapter 33 of title 38, United States Code, and remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school.
- F. Anyone who lives in Maryland, and:
  - 1) Is using transferred Post-9/11 G.I. Bill<sup>®</sup> benefits (38 U.S.C. § 3319) and enrolls after the transferor's discharge or release from a period of at least 90 days of service in the active military, naval or air service; or
  - 2) Is using transferred Post-9/11 G.I. Bill<sup>®</sup> benefits (38 U.S.C. § 3319) and the transferor is a member of the uniformed services who is serving on active duty;
  - 3) Is using benefits under the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. § 3311(b)(9));
  - 4) Is using benefits through the Survivors' and Dependents' Educational Assistance Program (DEA), (38 U.S.C. chapter 35) or
  - 5) Is entitled to rehabilitation under 38 U.S.C. § 3102(a).

An individual as described in this Section IV.F will continue to retain in-state status if the individual is using educational benefits under chapter 30, 31, 33, or 35 of title 38, United States Code, and remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school.

- G. ~~In addition to benefits provided under federal law noted in section IV.C above, aA-A~~ member of

the Maryland National Guard, as defined in the Public Safety Article of the Annotated Code of Maryland, who joined or subsequently serves in the Maryland National Guard to: (i) provide a critical military occupational skill; or (ii) be a member of the Air Force Critical Specialty Code as determined by the National Guard. (Maryland National Guard members may also qualify if they meet the criteria in section IV.C. above.)

- H. For UMGC, only, a full-time active member of the Armed Forces of the United States on active duty, or their spouse.
- I. A graduate assistant appointed through a USM institution for the semester/term of the appointment. Except through prior arrangement, this benefit is available only for enrollment at the institution awarding the assistantship.

<sup>2</sup> GI Bill® is a registered trademark of the U.S. Department of Veterans Affairs (VA). More information about education benefits offered by the VA is available at the official U.S. government Web site at <http://www.benefits.va.gov/gibill>.

- J. A full-time public school teacher in the first year of employment by a Maryland local education agency, who resides in Maryland and meets the criteria for a residency waiver in § 15-106.2 of the Education Article, Annotated Code of Maryland.
- K. The child of a Maryland public safety employee who is eligible for the Edward T. Conroy and Joan B. Cryor Scholarship under § 18-601(d)(3)(ii) of the Education Article, Annotated Code of Maryland.
- L. A person who has completed all service hours in an AmeriCorps Program in Maryland or who has completed a service program under the Maryland Corps Program, pursuant to Title 9, subtitle 28 of the State Government Article, Annotated Code of Maryland, as provided in § 15-106.9 of the Education Article, Annotated Code of Maryland.
- M. A person who has been certified by the Director of the Peace Corps as having served satisfactorily as a Peace Corps volunteer and who is domiciled in Maryland, as provided in § 15-106.11 of the Education Article, Annotated Code of Maryland.
- N. Individuals, including undocumented immigrants, who do not meet the definition of nonimmigrant alien within the meaning of 8 U.S.C. § 1101(a)(15) and who meet all the criteria in § 15-106.8 of the Education Article, Annotated Code of Maryland.
- N.O. Members of the U.S. Foreign Service who are on active duty for a period of more than 30 days and whose domicile or permanent duty station is in Maryland, and their spouses, and dependents. Members and their spouses and dependents who qualify for in-state status will continue to hold in-state status while continuously enrolled at the institution, notwithstanding a subsequent change in the permanent duty station of the member to a location outside Maryland.
- P. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, as required by provided in the Consolidated Appropriations Act, 2024, Pub. L. No. 118-42, Div. G, Title II, §Section 209-(b)(1)(E) of Title II of Division G of The Consolidated Appropriations Act of 2024 (Public Law 118-42.

## V. ADDITIONAL PROCEDURES

Each USM institution shall develop and publish additional procedures to implement this Policy. Procedures shall provide that upon request, the institution's President or designee has the authority to waive any requirement/any of the requirements set forth in Sections II or III set forth in Section II if it is

determined that ~~the its~~ application ~~of the requirement~~ creates an unjust result. These procedures shall be filed with the Office of the Chancellor. The institution may require that a student file a petition under Section III.A and complete the petition process before requesting a waiver under this section.

## VI. DEFINITIONS

- A. Financially Dependent: For the purposes of this Policy, a financially dependent student is one who has been claimed as a dependent on another person's prior year tax returns or is a ward of the State of Maryland.
- B. Financially Independent: For the purposes of this Policy, a financially independent student is one who provides 50 percent or more of the student's own living and educational expenses and has not been claimed as a dependent on another person's most recent tax returns.
- C. Parent: A parent may be a natural parent, or, if established by a court order recognized under the laws of the State of Maryland, an adoptive parent.
- D. Guardian: A guardian is a person so appointed by a court order recognized under the laws of the State of Maryland.
- E. Spouse: A spouse is a partner in a legally contracted marriage.
- F. Child: A child is a natural child or a child legally adopted pursuant to a court order recognized under the laws of Maryland.
- G. Regular Employee: A regular employee is a person employed by USM or a USM institution who is assigned to a State budget line or who is otherwise eligible to enroll in a State retirement system. Examples of categories NOT considered regular employees are graduate students, contingent employees, and independent contractors.

~~H.—Continuous Enrollment for undergraduate, graduate, and professional students is :~~

~~I.—Undergraduate Student—An undergraduate student who is enrolled at a USM institution for consecutive fall and spring semesters, until completion of the student's current degree program or unless on an approved leave of absence or participating in an approved program off campus.~~

~~J.H. Graduate or Professional—Continuous enrollment for a graduate or professional student is defined by the institution in accordance with institutional and program requirements.~~

~~K.I. Armed Forces of the United States: As defined in 38 U.S.C.A. § 101(10), the United States Army, Navy, Marine Corps, Air Force, Space Force, and Coast Guard, including the reserve components thereof.~~

~~J. Uniformed Services of the United States: As defined in 38 U.S.C. § 3319, Armed Forces and the Commissioned Corps of the National Oceanic and Atmospheric Administration and of the Public Health Service.~~

~~L.—K. Foreign Service of the United States—: as defined in 22 U.S.C. § 3903. -~~

## APPENDIX

~~{add A — O from Section IV}~~

**VIII-2.70—POLICY ON STUDENT CLASSIFICATION FOR ADMISSION AND TUITION PURPOSES**

(Approved by the Board of Regents August 28, 1990; Amended July 10, 1998; Amended November 27, 2000; Amended April 11, 2003; Amended June 23, 2006; Amended February 15, 2008; Amended October 24, 2014; Amended April 10, 2015; Amended February 17, 2017; Amended June 16, 2017; Amended April 19, 2019; Amended June 17, 2021; Amended June 17, 2022; Amended June 16, 2023; Amended June 14, 2024).

I. POLICY

A. Purpose

To extend the benefits of its system of higher education while encouraging the economical use of the State's resources,<sup>1</sup> it is the policy of the Board of Regents of the University System of Maryland (USM) to recognize the categories of in-state and out-of-state residency for the purpose of admission and assessing tuition at USM institutions.

B. Qualification for In-State Status

Generally, to qualify for in-state status, prospective, returning, or current students must demonstrate that they are permanent Maryland residents. Under certain circumstances, as set forth in this Policy, students who are not permanent Maryland residents may qualify temporarily for in-state status. Students who do not qualify for in-state status under this Policy shall be assigned out-of-state status for admission and tuition purposes.

C. Standard of Proof

Students seeking in-state status shall have the burden of proving by clear and convincing evidence that they satisfy the requirements and standards set forth in this Policy. Assignment of in-state or out-of-state status will be made by each USM institution upon a review of the totality of facts known by the institution or presented to it by the student.

II. DETERMINATION OF RESIDENCY STATUS

A. Criteria for Determination of Residency Status

An initial determination of residency status will be made at the time of admission and readmission based upon information provided by the student with the signed application certifying that the information provided is complete and correct. Additional information may be requested by the institution to clarify facts presented. To qualify for in-state status, the student must demonstrate that for at least 12 consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state status, the student had the continuous intent to reside in Maryland indefinitely and for a primary purpose other than that of attending an educational institution in Maryland. The student will demonstrate the requisite intent by satisfying all the following requirements for the 12-month period (or shorter period indicated):

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<sup>1</sup>Annotated Code of Maryland, Educ. § 12-101.

- 1) Has continuously maintained primary living quarters in Maryland.
- 2) Has substantially all personal property, such as household effects, furniture, and pets, in Maryland.
- 3) Has paid Maryland income tax on all taxable income, including all taxable income earned outside Maryland, and has filed a Maryland Resident Tax Return. If the student is a dependent for tax purposes, then the person who claims the student as a dependent shall have paid Maryland income tax on all taxable income, including all taxable income earned outside Maryland, and have filed a Maryland Resident Tax Return.
- 4) Has registered all owned or leased motor vehicles in Maryland for at least 12 consecutive months, if previously registered in another state. Students who have lived in Maryland for at least 12 consecutive months but who have had their motor vehicle(s) registered in Maryland for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their owned or leased motor vehicle(s) was (were) registered in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.
- 5) Has possessed a valid Maryland driver's license for at least 12 consecutive months, if previously licensed to drive in another state. Students who have lived in Maryland for at least 12 consecutive months but who have held a Maryland driver's license for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their driver's license was issued in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.
- 6) Receives no public assistance from a state other than the State of Maryland or from a city, county, or municipal agency other than one in Maryland.
- 7) Has the ability under Federal and Maryland law to live permanently and without interruption in Maryland.

#### B. Presumption of Out-of-State Status

Either of the following circumstances raises a presumption that the student is residing in the State of Maryland primarily for the purpose of attending an educational institution and, therefore, does not qualify for in-state status under this Policy:

- 1) A student is attending school or living outside Maryland at the time of application for admission to a USM institution, or
- 2) A student is Financially Dependent on a person who is not a resident of Maryland. A student will be considered Financially Independent if the student provides 50 percent or more of the student's own living and educational expenses and has not been claimed as a dependent on another person's most recent tax returns.

### III. CHANGE IN CLASSIFICATION FOR TUITION PURPOSES

#### A. Petition for Change in Classification for Tuition Purposes

After the initial determination is made, a student seeking a change to in-state tuition status must submit a Petition for Change in Classification for Tuition Purposes that includes all the information the student wishes the institution to consider. All information must be submitted by the institution's

deadline for submitting a petition before or within the semester for which the student seeks reclassification. Only one Petition may be filed per semester.

#### B. Criteria for Changes in Tuition Status

A student seeking reclassification from out-of-state to in-state tuition status must demonstrate, by clear and convincing evidence, that for at least twelve (12) consecutive months immediately prior to and including the last date available to register for courses for the semester/term for which the student seeks in-state tuition status, the student had the continuous intent to

- a) make Maryland the student's permanent home;
- b) abandon the student's former home state;
- c) reside in Maryland indefinitely; and
- d) reside in Maryland primarily for a purpose other than that of attending an educational institution in Maryland.

A student will demonstrate the requisite intent by satisfying all the following requirements for a period of at least twelve (12) consecutive months (or for the shorter period of time indicated) immediately prior to and including the last date available to register for courses in the semester/term for which the student seeks in-state tuition status. Evidence of intent must be clear and convincing and will be evaluated not only by how completely the criteria are addressed, but also based upon the reliability, authenticity, credibility, and relevance of the evidence and the totality of facts known to the institution. The student must demonstrate (providing appropriate documentation as necessary) that for the relevant period the student:

- 1) Continuously maintained primary living quarters in Maryland.
- 2) Has substantially all personal property, such as household effects, furniture, and pets, in Maryland.
- 3) Has paid Maryland income tax on all taxable income including all taxable income earned outside the state and has filed a Maryland Resident Tax Return. If the student is a dependent for tax purposes, then the person who claims the student as a dependent shall have paid Maryland income tax on all taxable income, including all taxable income earned outside Maryland, and have filed a Maryland Resident Tax Return.
- 4) Has registered all owned or leased motor vehicles in Maryland for at least 12 consecutive months, if previously registered in another state. Students who have lived in Maryland for at least 12 consecutive months but who have had their motor vehicle(s) registered in Maryland for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that their owned or leased motor vehicle(s) was (were) registered in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.
- 5) Has possessed a valid Maryland driver's license for at least 12 consecutive months, if previously licensed to drive in another state. Students who have lived in Maryland for at least 12 consecutive months but who have held a Maryland driver's license for less than 12 months will be deemed to have satisfied this requirement if they can show evidence that



their driver's license was issued in Maryland within 60 days after moving to the state in accordance with Maryland Motor Vehicle Administration requirements.

- 6) Receives no public assistance from a state other than the State of Maryland or from a city, county, or municipal agency other than one in Maryland.
- 7) Has the ability under Federal and Maryland law to live permanently without interruption in Maryland.
- 8) Has either not raised the presumption set forth in Section II.B above; or alternatively, if the student's circumstances have raised the presumption set forth in Section II.B above, the student has rebutted that presumption.

### C. Rebuttal Evidence to Support a Change in Tuition Status

If the information received by the institution about the student has raised the presumption set forth in Section II.B, the student bears the burden of rebutting the presumption set forth in Section II.B by presenting additional evidence of objectively verifiable conduct to rebut the presumption and show the requisite intent. Rebuttal evidence of intent must be clear and convincing and will be evaluated not only by how completely the criteria are addressed, but also based upon the reliability, authenticity, credibility and relevance of the evidence and the totality of facts known to the institution.

Evidence that does not document a period of at least twelve (12) consecutive months immediately prior to and including the last date available to register for courses in the semester/term for which the student seeks in-state tuition status is generally considered an unfavorable factor under this Policy. The absence of objective, relevant evidence is generally considered an unfavorable factor. A student's statement of intent to remain in Maryland in the future is generally not considered to be objective evidence under this Policy.

For purposes of rebutting the presumption, additional evidence that will be considered includes, but is not limited to:

- 1) Source of financial support:
  - a. Maryland employment and earnings history through sources beyond those incident to enrollment as a student in an educational institution, e.g., beyond support provided by work study, scholarships, grants, stipends, aid, student loans, etc. (Tuition costs will be considered as a student expense only to the extent tuition exceeds the amount of any educational scholarships, grants, student loans, etc.), or
  - b. Evidence the student is Financially Dependent, for the previous 12 months, upon a person who is a resident of Maryland.
- 2) Substantial participation as a member of a professional, social, community, civic, political, athletic, or religious organization in Maryland, including professionally related school activities that demonstrate a commitment to the student's community or to the State of Maryland.
- 3) Registration as a Maryland resident with the Selective Service, if applicable.

- 4) Evidence that the student is married to a Maryland resident.
- 5) Evidence that the student attended schools in Maryland for grades K-12.
- 6) Evidence showing the student uses the student's Maryland address as the sole address of record for all purposes, including, for example, on health and auto insurance records, bank accounts, tax records, loan and scholarship records, school records, military records, leases, etc.
- 7) An affidavit from a person unrelated to the student that provides objective, relevant evidence of the student's conduct demonstrating the student's intent to reside in Maryland primarily for a purpose other than that of attending an educational institution in Maryland.
- 8) Evidence of life and employment changes that caused the student to relocate to Maryland for reasons other than primarily educational purposes (e.g., divorce, family relocation, taking care of a sick family member, etc.)
- 9) Voter registration in Maryland.

#### D. Appeal

A student may appeal an adverse decision on a Petition for Change in Classification.

#### E. Change in Circumstances Altering In-State Status

A student shall notify the USM institution in writing within fifteen (15) days of any change in circumstances which may alter in-state status. Failure to do so could result in retroactive charges for each semester/term affected.

#### F. Incomplete, Untimely, False or Misleading Information

If necessary information is not provided by the institution's deadline, the USM institution may, at its discretion, deny or revoke in-state status. In the event incomplete, false, or misleading information is presented, the USM institution may, at its discretion, revoke in-state status and take disciplinary action provided for by the institution's policies. Such action may include suspension or expulsion. In such cases, the institution reserves the right to retroactively assess all out-of-state charges for each semester/term affected.

### IV. CRITERIA FOR TEMPORARY QUALIFICATION OF NON-RESIDENTS FOR IN-STATE STATUS

Non-residents with the following status shall be accorded the benefits of in-state status for the period in which they hold such status, if they provide clear and convincing evidence through documentation, by the institution's deadline for the semester for which they seek in-state status, showing that they fall within one of the following categories:

- A. A full-time or part-time (at least 50 percent) regular employee of USM or a USM institution.
- B. The spouse or Financially Dependent child of a full-time or part-time (at least 50 percent) regular employee of USM or a USM institution.
- C. Active duty members of the Armed Forces of the United States as defined in 38 U.S.C. § 101(10) as the United States Army, Navy, Marine Corps, Air Force, Space Force, and Coast Guard, including the reserve components thereof (Army National Guard and Air National Guard), who

are stationed in Maryland, reside in Maryland, or are domiciled in Maryland, or their spouse or financially dependent children, as provided in § 15-106.4 of the Education Article, Annotated Code of Maryland. Spouses and children who qualify for exemptions under this provision will retain in-state status for tuition purposes as long as they are continuously enrolled, regardless of whether the active duty member's station assignment, residence, or domicile remains in Maryland.

- D. Veterans of the Armed Forces of the United States who provide documentation that they were honorably discharged and currently reside or are domiciled in Maryland, as provided in § 15-106.4 of the Education Article, Annotated Code of Maryland.
- E. Veterans who live in Maryland and were discharged from a period of at least 90 days of service in the active military, naval, space, or air service and are pursuing a course of education with educational assistance under the Montgomery G.I. Bill® (38 U.S.C. Ch. 30) or the Post-9/11 G.I. Bill® (38 U.S.C. Ch. 33), pursuant to 38 U.S.C. § 3679(c).<sup>2</sup> A veteran so described will continue to retain in-state status if the veteran is using educational benefits under either chapter 30 or chapter 33 of title 38, United States Code, and remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school.
- F. Anyone who lives in Maryland, and:
  - 1) Is using transferred Post-9/11 G.I. Bill® benefits (38 U.S.C. § 3319) and enrolls after the transferor's discharge or release from a period of at least 90 days of service in the active military, naval or air service; or
  - 2) Is using transferred Post-9/11 G.I. Bill® benefits (38 U.S.C. § 3319) and the transferor is a member of the uniformed services who is serving on active duty;
  - 3) Is using benefits under the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. § 3311(b)(9));
  - 4) Is using benefits through the Survivors' and Dependents' Educational Assistance Program (DEA), (38 U.S.C. chapter 35) or
  - 5) Is entitled to rehabilitation under 38 U.S.C. § 3102(a).

An individual as described in this Section IV.F will continue to retain in-state status if the individual is using educational benefits under chapter 30, 31, 33, or 35 of title 38, United States Code, and remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school.

- G. A member of the Maryland National Guard, as defined in the Public Safety Article of the Annotated Code of Maryland, who joined or subsequently serves in the Maryland National Guard to: (i) provide a critical military occupational skill; or (ii) be a member of the Air Force Critical Specialty Code as determined by the National Guard. (Maryland National Guard members may also qualify if they meet the criteria in section IV.C. above.)
- H. For UMGC, only, a full-time active member of the Armed Forces of the United States on active duty, or their spouse.
- I. A graduate assistant appointed through a USM institution for the semester/term of the appointment. Except through prior arrangement, this benefit is available only for enrollment at the institution awarding the assistantship.

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<sup>2</sup> GI Bill® is a registered trademark of the U.S. Department of Veterans Affairs (VA). More information about education benefits offered by the VA is available at the official U.S. government Web site at <http://www.benefits.va.gov/gibill>.

- J. A full-time public school teacher in the first year of employment by a Maryland local education agency, who resides in Maryland and meets the criteria for a residency waiver in § 15-106.2 of the Education Article, Annotated Code of Maryland.
- K. The child of a Maryland public safety employee who is eligible for the Edward T. Conroy and Joan B. Cryor Scholarship under § 18-601(d)(3)(ii) of the Education Article, Annotated Code of Maryland.
- L. A person who has completed all service hours in an AmeriCorps Program in Maryland or who has completed a service program under the Maryland Corps Program, pursuant to Title 9, subtitle 28 of the State Government Article, Annotated Code of Maryland, as provided in § 15-106.9 of the Education Article, Annotated Code of Maryland.
- M. A person who has been certified by the Director of the Peace Corps as having served satisfactorily as a Peace Corps volunteer and who is domiciled in Maryland, as provided in § 15-106.11 of the Education Article, Annotated Code of Maryland.
- N. Individuals, including undocumented immigrants, who do not meet the definition of nonimmigrant alien within the meaning of 8 U.S.C. § 1101(a)(15) and who meet all the criteria in § 15-106.8 of the Education Article, Annotated Code of Maryland.
- O. Members of the U.S. Foreign Service who are on active duty for a period of more than 30 days and whose domicile or permanent duty station is in Maryland, and their spouses and dependents. Members and their spouses and dependents who qualify for in-state status will continue to hold in-state status while continuously enrolled at the institution, notwithstanding a subsequent change in the permanent duty station of the member to a location outside Maryland.
- P. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, as provided in the Consolidated Appropriations Act, 2024, Pub. L. No. 118-42, Div. G, Title II, § 209(b)(1)(E).

## V. ADDITIONAL PROCEDURES

Each USM institution shall develop and publish additional procedures to implement this Policy. Procedures shall provide that upon request, the institution's President or designee has the authority to waive any of the requirements in Sections II or III if it is determined that its application creates an unjust result. These procedures shall be filed with the Office of the Chancellor. The institution may require that a student file a petition under Section III.A and complete the petition process before requesting a waiver under this section.

## VI. DEFINITIONS

- A. **Financially Dependent:** For the purposes of this Policy, a financially dependent student is one who has been claimed as a dependent on another person's prior year tax returns or is a ward of the State of Maryland.
- B. **Financially Independent:** For the purposes of this Policy, a financially independent student is one who provides 50 percent or more of the student's own living and educational expenses and has not been claimed as a dependent on another person's most recent tax returns.
- C. **Parent:** A parent may be a natural parent, or, if established by a court order recognized under the laws of the State of Maryland, an adoptive parent.

- D. Guardian: A guardian is a person so appointed by a court order recognized under the laws of the State of Maryland.
- E. Spouse: A spouse is a partner in a legally contracted marriage.
- F. Child: A child is a natural child or a child legally adopted pursuant to a court order recognized under the laws of Maryland.
- G. Regular Employee: A regular employee is a person employed by USM or a USM institution who is assigned to a State budget line or who is otherwise eligible to enroll in a State retirement system. Examples of categories NOT considered regular employees are graduate students, contingent employees, and independent contractors.
- H. Continuous Enrollment for undergraduate, graduate, and professional students is defined by the institution in accordance with institutional and program requirements.
- I. Armed Forces of the United States: As defined in 38 U.S.C. § 101(10), the United States Army, Navy, Marine Corps, Air Force, Space Force, and Coast Guard, including the reserve components thereof.
- J. Uniformed Services of the United States: As defined in 38 U.S.C. § 3319, Armed Forces and the Commissioned Corps of the National Oceanic and Atmospheric Administration and of the Public Health Service.
- K. Foreign Service of the United States: as defined in 22 U.S.C. § 3903.

**TOPIC:** Revisions to USM Procurement Policies and Procedures

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** A Procurement Workgroup was formed to complete a comprehensive review of USM's Procurement Policies and Procedures (Section VII-3.00) in collaboration with institution vice presidents and procurement directors. These policies and procedures were examined and updated based on current best methods and business practices as well as opportunities to gain efficiencies and improve effectiveness. In addition, there were certain statutory changes that necessitated changes to these policies. Attached is a spreadsheet summary of the proposed amendments to the policies and procedures resulting from this systematic effort. The detailed amendments to these policies and procedures can be found on the USM website at:

<https://www.usmd.edu/usm/procurement/policy-review/>

The USM Procurement Policies and Procedures were adopted by the Board of Regents on December 3, 1999. There was a similar workgroup created in 2015 that resulted in updates to these policies in 2016. Many of the amendments are technical in nature and could be considered "housekeeping" revisions. Other proposed changes are substantive in nature and include updates to exclusions, clarifications regarding Board of Public Works approval, cancellation of solicitations, policy on service contracts and a liquidated damages provision.

Pursuant to the general procurement autonomy granted to USM by the Maryland General Assembly (Chapter 515 of the Laws of 1999), the policies and procedures are designed to support and facilitate the educational, research and public service missions of the University System of Maryland and its constituent institutions through the acquisition of goods and services by applying best methods and business practices that provide for public confidence in the System. The proposed revisions provide for a procurement process of quality and integrity, broad-based competition, fair and equal treatment of the business community, increased economy and uniform procurement procedures.

At the recommendation of the Workgroup, and as supported by the USM Procurement Directors, the USM Administrative Vice Presidents and the Council of University System Presidents, today's action requests approval of the revisions to the USM Procurement Policies and Procedures. Upon approval by the Finance Committee and Board of Regents, these policies and procedures will be forwarded to the Joint Committee on Administrative, Executive and Legislative Review of the Maryland General Assembly for review and comment, as required. These revised policies will also require the approval of the Board of Public Works.

**ALTERNATIVE:** The policies could remain unchanged but would be out of compliance with statute and hinder institution procurement operations.

**FISCAL IMPACT:** Although there is no direct fiscal impact, it is believed that these revisions will (a) result in efficiencies in costs, productivity, and business processes and (b) be consistent with current best methods and business practices.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve revisions to the USM Procurement Policies and Procedures as described above. In addition, this action will rescind the USM Policy on Service Contracts, USM Policy VIII-22.00, as it has been incorporated into the USM Procurement Policies.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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## USM PP&P – Substantive Proposed Revisions

Section	Page	Recommendation	Rationale/Comment
Approvals page	6	Proposed Approvals Timeline Added	To show when the Board of Regents, General Assembly, and Board of Public Works approve the policies and procedures
<b>Section IV. Applicability</b>			
Section IV. A. General Applicability	8	Added “Board of Public Works” and “approval”	Board of Public Works approval is needed per the Office of Attorney General's opinion.
Section IV. B. Exclusions	9	Added: “18. Utility charges (e.g. electricity, natural gas, sewer, water, internet, etc.)”	These are not procurement contracts. These are utility commodity purchases.
		Added: “19. Accreditation fees”	This is not considered a procurement activity. Accreditation is required for universities to operate, which provides students with the assurance of a quality education and ensures that other colleges and employers recognize the course credits and degrees earned.
		Add at the end of the section: “ <b>NOTE:</b> An exclusion does not negate the requirement to seek the approval of the Maryland Board of Public Works for any service contract that exceeds \$1 million in value with the exception of Intercollegiate Athletics related contracts and High Impact Economic Development Activities related contracts between the institution(s) that created the entity and the HIEDA entity.”	OAG has advised that with the exception of Intercollegiate Athletics and HIEDA entities, all exclusions are subject to BPW approval if they meet the definition of a service or capital construction contract that exceeds \$1 million in value.
<b>Section V. Procurement Methods</b>			
Section V. B. Competitive Sealed Bidding		Added “A public bid opening may also be conducted through an electronic solicitation system, e.g. eMaryland Marketplace Advantage “eMMA”.”	Institutions are also permitted to use an electronic solicitation system to open bids publicly.
	14	Added the words “responsive and responsible”	Clarify that rejected bids are not available for public inspection.



## USM PP&P – Substantive Proposed Revisions

	16	Adding “at least”	Common practice is 120 days. This change would allow flexibility to go longer than 90 days.
Section V. C. Competitive Sealed Proposals	22	Delete the last sentence.	It is common practice to take notes during a debriefing.
	23	Remove “one or more of the following ways” and make several grammatical changes to ensure the sentence still makes sense.	Statutory requirement to post awards in eMMA
Section V. H. Use of Contracts Established by Other Organizations, Institutions or Agencies	28	removed “provided that use of the contact is in the best interest of the Institution, and”	Any USM institution's procurement method should be in the institution's best interest and determining the procurement method is at the sole discretion of the procurement officer.
	28	The role of MEEC was clarified by moving “Maryland Education Enterprise Consortium (MEEC)” to the end of the section and adding, “is a consortium sponsored by the University System of Maryland and is available to all members, including USM Institutions.”	Clarify that MEEC is a USM-sponsored consortium available to USM institutions and all members of MEEC.
<b>NEW Section VI – Cancellation of Solicitations</b>			
NEW Section VI – Cancellation of Solicitations	36	Added provision to cancel solicitations: “Cancellation” Section after Section V; new section VI will bump all sections down. Adapted this section from a COMAR regulation.	Maryland State Board of Contract Appeals (MSBCA) rendered an opinion in August of 2023, holding that Universities had no authority to cancel a solicitation. This provision will spell out that the USM has this authority.
<b>Section VII – Contract Types</b>			
Section VII. A. General	37	Adjusted language, removing the first part of the sentence.	Consistent with federal regulation 2 CFR 200.324(d)
<b>Section VIII – Contract Administration</b>			
Section VIII. B. Authority and Responsibility	39	Adjusted the language and made grammatical changes to clarify the role of the procurement officer.	This was updated to match the added “Contract Administrator” definition. The change clarifies that the contract manager is responsible for the day-to-day contract. The Procurement Officer does not manage the contract or approve invoices.

## USM PP&P – Substantive Proposed Revisions

Section VIII. D. Board of Public Works	40	Added the last sentence: “An exclusion does not negate the requirement to seek the approval of the Maryland Board of Public Works for any service contract that exceeds \$1 million in value with the exception of Intercollegiate Athletics related contracts and High Impact Economic Development Activities related contracts between the institution(s) that created the entity and the HIEDA entity.	Exclusions in the policies do not negate the statutory requirement that the Board of Public Works approve these contracts per OAG advice except for the two exceptions- Intercollegiate Athletics and HIEDA contracts.
Section VIII. F. Contract Modifications	41	Added at the end, “Any contract modification to a service or capital construction contract that exceeds \$1,000,000 requires the approval of the Maryland Board of Public Works.”	This clarifies that the Board of Public Works must approve any modification to a service or capital construction contract over 1 million.
Added Section VIII. J. Void/Voidable Contracts	41	The section was added based on a recommendation from the Office of the Attorney General.	The section is based on the statutory requirement of the USM 11-204 State Finance and Procurement Article. An example of a void/voidable contract was the recent MEEC IT master contract in which the “not to exceed amount” was breached.
<b>Section X – Socio-Economic Policies</b>			
Section X – Socio-Economic Policies	44	Removed second sentence	The State of Maryland Minority Business Enterprise program does not recognize certifications from other governmental agencies. If the law changes, nothing needs to be changed in the policy.
<b>Added Section XII – Policy on Service Contracts</b>			
Added Section XII – Policy on Service Contracts	48	Policy is from VIII: Fiscal and Business Affairs The policy would apply only to service contracts as defined in these policies.	This provision is being added to the procurement policies per a formal opinion of OAG that the statute requires this rather than a stand-alone policy.
<b>Added Section XIII – Policy on Liquidated Damages</b>			
Added Section XIII – Policy on Liquidated Damages	50	All references to state agencies were removed and replaced with “University”; the same with references to agency heads being replaced with “president or their authorized designee.” Includes example language.	Included it because it’s a statutory requirement. Model policy approved by Board of Public Works December 2023.

## USM PP&P – Substantive Proposed Revisions

<b>Section XIV – Definitions</b>			
Aggrieved Party	53	AGGRIEVED PARTY – An aggrieved party is an offeror or bidder next in line for award or an offeror or bidder or a potential offeror or bidder that is able to prove by clear and convincing evidence that it was harmed competitively as a direct result of an action taken by an Institution in connection with the solicitation or award of a contract.	To explain who an aggrieved party is per the Office of Attorney General’s suggestion
Best and Final Offer	54	Removed the word “initial” and added sentence: ‘A best and final offer can be technical and/or financial at the Procurement Officer’s sole discretion.’	To make it clear that technical and/or financial best-and-final offers are acceptable when the procurement officer determines they’re in the university’s best interest.
Contract Administrator	56	CONTRACT ADMINISTRATOR - Responsible for the development of the scope of work for a solicitation, understanding all components of the solicitation and subsequent contract after award including: acceptance of deliverables, approval of invoices, monitoring of contract performance and spend on the contract. The contract administrator is responsible for communication with the procurement officer for any contract modifications, renewal options, and any disputes.	Adapted from the State of Maryland definition.
<b>Appendix A</b>			
Appendix A. VI. Master List of Uniform Terms and Conditions	81	Non-Visual Clause for IT Contracts-changed 5 to 15 percent	Consistent with the State’s requirement.
<b>All Sections</b>			
All Sections		Any time the word “proposer” or “prospective contractor” appears changes to “bidder/offeror.”	This is the modern terminology.
All Sections		Added the word “Electronic” in front of the words “Bid Board.”	

\*Pending outcome of Maryland General Assembly

# USM Procurement Overview and Policies and Procedures Revisions

Board of Regents Finance Committee, May 29, 2024



# Autonomy and Legislative Background



**Legislative Autonomy:** Granted by Maryland General Assembly under Chapter 515 of the Laws of 1999.



**Procurement Authority:** USM exempt from State Finance and Procurement Article, except mandatory contract terms and MBE Program.



**Policy Development:** Required to establish procurement policies aligned with state procurement law.



**Policy Approval:** Original policies approved by USM Board of Regents on December 3, 1999, and subsequently by Maryland Board of Public Works on February 9, 2000.

**"These procurement policies and procedures are designed to support and facilitate the educational, research, and public service missions of the University System of Maryland and its constituent institutions through the acquisition of goods and services by applying best methods and business practices that provide for public confidence in the System and . . . are relevant to the USM institution environment while providing for a procurement process of quality and integrity, broad based competition, fair and equal treatment of the business community, increased economy in the procurement process, and uniform procurement procedures."**

# Procurement Policies and Practices

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**Policy Objectives:** Support USM missions through acquisition best practices, ensuring public confidence, integrity, competition, and economic efficiency in procurement.

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**High-Value Contracts:** Capital construction and service contracts exceeding \$1 million require approval from the Maryland Board of Public Works; contracts over \$5 million require approval from the USM Board of Regents.

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**Preference Providers:** Mandated use of Maryland Correctional Enterprises, Blind Industries and Services of Maryland, and Maryland Works Program.

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**Management of Capital Construction:** This is handled by USM Service Centers at the University of Maryland, College Park and University of Maryland, Baltimore.

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**Technology Procurement:** Maryland Education Enterprise Consortium procures master IT contracts for all K-20 educational institutions in Maryland.

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# Purpose



The USM Procurement Policies and Procedures were last updated in 2016. It was necessary to revise these policies due to certain changes in statute and recent OAG guidance.



# Workgroup

- A workgroup was formed to make the necessary changes to the USM Procurement Policies and Procedures.
- The chairs are **Dawn Rhodes**, Chief Business and Finance Officer and Senior Vice President, University of Maryland, Baltimore, and **Ben Lowenthal**, Vice President and Chief Financial Officer, Towson University.

## Workgroup Members

- Keith Gagnon and Jack Mumma, University of Maryland, Baltimore
- Kim Watson, University of Maryland, College Park
- Joselyn Johnson, Towson University
- Laura McWeeney, University of Maryland, Global Campus
- Tom Hickey, University System of Maryland
- Neena Narayanan and Derreq Player, University System of Maryland-Administrative Support
- Rebecca Salsbury, Office of Attorney General

# Summary

- The following is a summary of the substantive changes proposed to the USM Procurement Policies and Procedures.
- **Applicability:** as a result of a formal OAG Opinion, any revisions to the procurement polices must be approved by the Maryland Board of Public Works.
- **Exclusions:** added two new exclusions-Utility Charges and Accreditation Fees which are not procurement contracts. Also added note that an exclusion does not negate the statutory requirement to bring any service contract that exceeds \$1 million in value to the Maryland Board of Public Works for approval with the exception of Intercollegiate Athletics related contracts and HIEDA contracts created by a parent institution.

# Procurement Methods

## Invitations for Bid:

- A provision was added to allow for public bid openings through electronic means.
- Clarified that rejected bids are not available for public inspection.
- Added words “at least” to allow for a period longer than 90 days for bids to be irrevocable.

## Competitive Sealed Proposals:

- Allow for notes to be taken during a debriefing.
- Posting of awards is required in eMMA.

## Use of Contracts Established by Other Organizations, Institutions or Agencies:

- Removed “provided that the use of the contract is in the best interest of the Institution” as the procurement method to use is at the sole discretion of the procurement officer, and any authorized procurement method utilized should be in the institution’s best interest.
- Clarified that the Maryland Education Enterprise Consortium (MEEC) is a USM-sponsored consortium.

# New Section Added:

## Cancellation of Solicitations

A recent Maryland State Board of Contract Appeals (MSBCA) decision held that institutions do not have the authority to cancel a procurement because it is not stated in the USM Procurement Policies and Procedures. This new provision will rectify this.

# Contract Administration

Clarifies the role of the Procurement Officer and the Contract Administrator.

# Board of Public Works

- Added language to re-iterate that with the exception of Intercollegiate Athletics and HIEDA contracts, an exclusion does not negate the requirement to seek Board of Public Works approval for any service contract that exceeds \$1 million in value.
- Also added language to clarify that any contract modification that exceeds \$1 million requires Board of Public Works approval.

# Void\Voidable Contracts

- This new section was added at the recommendation of the Office of Attorney General, Contract Litigation Unit.
- The section is consistent with the statutory provision that applies to USM in State Finance and Procurement Article 11-204.

# Policy on Service Contracts

- This is an existing stand-alone policy that is being incorporated into the USM Procurement Policies as a result of a formal opinion of the Office of Attorney General.
- The policy establishes a preference for the use of institution employees to provide services unless the use of an external service contract is justified by cost or other reasons.



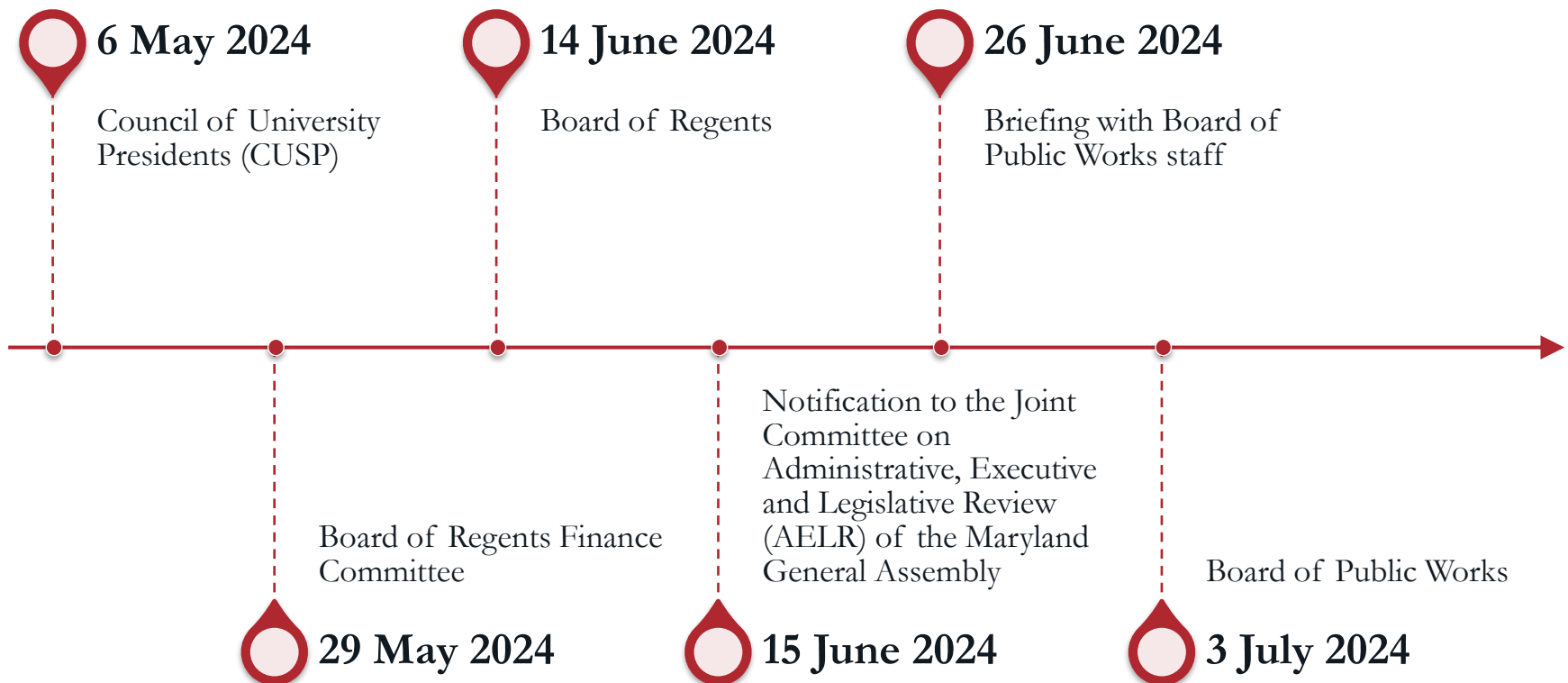
# Policy on Liquidated Damages

There is a statutory requirement that USM adopt a policy on liquidated damages that is based upon a model policy that was approved by the Board of Public Works in December, 2023.

# Definitions Added

- **Aggrieved Party:** is an offeror or bidder next in line for award or an offeror or bidder or a potential offeror or bidder that is able to prove by clear and convincing evidence that it was harmed competitively as a direct result of an action taken by an Institution in connection with the solicitation or award of a contract.
- **Best and Final Offer:** clarified that it can be technical and/or financial at the procurement officer's sole discretion.
- **Contract Administrator:** responsible for the development of the scope of work for a solicitation, understanding all components of the solicitation and subsequent contract after award including: acceptance of deliverables, approval of invoices, monitoring of contract performance and spend on the contract. The contract administrator is responsible for communication with the procurement officer for any contract modifications, renewal options and any disputes.

# Timeline



# Revisions to USM Policy on Approval of Procurement Contracts

- Clarified that contracts that exceed \$5 million in value, regardless if they fall under an exclusion in the USM Procurement Policies and Procedures, requires the prior approval of the USM Board of Regents.
- Codified existing practice of providing an annual report of contracts between \$1-\$5 million to the USM Board of Regents.
- Eliminated language regarding Federal stimulus funding that had already sunseted.

**TOPIC:** Proposed Amendment to USM Policy VIII-3.10 Policy on Approval of Procurement Contracts

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** A Procurement Workgroup, in collaboration with institution vice presidents and procurement directors, conducted a comprehensive review of USM's Procurement Policies and Procedures (Section VII-3.00). As part of this review, revisions were made to the subject policy, with a redline version attached for reference.

The updated policy now includes a clarification stipulating that Board of Regents approval is mandatory for any contract exceeding \$5 million in value, regardless of whether it falls under an exclusion in the USM Procurement Policies and Procedures. Additionally, a second change is the shift of responsibility from the Chancellor to the Vice Chancellor for Administration and Finance, who will provide an annual report to the Finance Committee for contracts valued between \$1 million and \$5 million. This amendment formalizes the longstanding practice within USM. Finally, a provision related to Federal stimulus funding from the Great Recession—that had sunset—has been deleted.

**ALTERNATIVE(S):** This policy could remain unchanged; however, reporting practices would need to change and there could be confusion about seeking BOR approval for certain contracts.

**FISCAL IMPACT:** There is no fiscal impact.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the proposed amendment to USM's Policy on Approval of Procurement Contracts, as presented.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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## 267.0 VIII-3.10-Policy on Approval of Procurement Contracts

(Approved by the Board of Regents on October 19, 1989; Amended by the Board of Regents on March 11, 2009; Amended by the Board of Regents on \_\_\_\_\_)

1. Except as provided in paragraphs 2(b), 3 and 5 below, the Board of Regents shall approve all procurement contracts of \$5 million or more prior to their execution, including any contract that falls under an exclusion in the USM Procurement Policies and Procedures.
2. The Vice Chancellor for Administration and Finance shall report the following to the Finance Committee of the Board of Regents ~~at the first meeting of the Committee after the execution of the contract~~ annually for each fiscal year:
  - a. All procurement contracts of \$1 million to \$5 million; and
  - b. Emergency and expedited procurement contracts of \$5 million or more.
3. The following procurement contracts are not subject to paragraphs 1 and 2 of this Policy:
  - a. Construction contracts for capital projects approved by the Board of Regents as part of the System Capital Program, except for those that exceed the approved amount by more than twenty percent;
  - b. Sponsored research/educational contracts and grants; and
  - c. Contracts pertaining to interests in real property.
4. The Vice Chancellor for Administration and Finance may report to the Finance Committee, or seek Board of Regents prior approval of, any procurement contract notwithstanding the provisions of this Policy.
5. ~~The Chancellor is authorized to waive the requirements of this Policy concerning Board of Regents approval of contracts as necessary to satisfy requirements related to federal stimulus program funding. The Chancellor's written approval is required for such contracts. Waivers shall be reported to the Board of Regents. This provision shall sunset three years from the date of approval.~~

## **267.0 VIII-3.10-Policy on Approval of Procurement Contracts**

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  - c. Contracts pertaining to interests in real property.
4. The Vice Chancellor for Administration and Finance may report to the Finance Committee, or seek Board of Regents prior approval of, any procurement contract notwithstanding the provisions of this Policy.

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**TOPIC:** University of Maryland, College Park: Lease Extension at Diamondback Garage

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** The University of Maryland, College Park (“UMCP”) is requesting approval to exercise its first renewal option for a lease encompassing 20,286 leasable square feet of commercial space on the ground floor of The Hotel at the University of Maryland (“Hotel”), located at 7777 Baltimore Avenue in College Park. The proposed lease renewal spans a term of ten years, commencing from May 2, 2028, through May 1, 2038.

The Board of Regents approved an initial ten-year lease term on February 12, 2016. Correspondingly, UMCP and Hotel at UMCP, LLC entered into a ten-year lease dated December 20, 2016. The property is located on the east lower-level side of the Hotel facing Diamondback Drive, commonly known as “Diamondback Garage.” Diamondback Garage is currently subleased by UMCP for incubator space for entrepreneurs and early business ventures, co-working space, and office space for two existing commercial tenants, the Capital One Tech Incubator and Immuta, Inc., a private data analytics company.

As of April 2024, Diamondback Garage generates more than \$100,000 a year in positive cash flow to UMCP. A key reason for seeking approval to exercise the first extension option at this time is to give UMCP the ability to negotiate extensions of the existing subleases for terms beyond 2028.

Pursuant to the First Amendment to the Original Lease, dated June 19, 2019 (“First Amendment”), the Hotel agreed to provide UMCP with two ten-year options to renew the Original Lease. For the first renewal term, the first year’s rent is equal to the rent of the last year of the original term. For each subsequent lease year, the rent will equal the rent for the immediately preceding lease year multiplied by the percentage increase in the Consumer Price Index (CPI) annually. Acknowledging that the Original Lease did not contemplate renewal options, the First Amendment noted that UMCP would seek BOR approval before the exercise of its renewal options. The University requests authority to exercise the first of its two extension options.

The first renewal term of the lease is ten years, commencing on May 2, 2028 and expiring on May 1, 2038.

**LANDLORD:** The Hotel at UMCP, LLC,  
Southern Management: Vienna, Virginia; CEO: Suzanne D. Hillman

**ALTERNATIVES:** The Board of Regents could reject this request and the current lease would terminate in 2028. Control of Diamondback Garage would shift to the Hotel.

**FISCAL IMPACT:** The projected base rent for the first year of the option term is \$29.50 per square foot for a total annual base rent of just under \$600,000. By way of explanation, rent is “projected” because it is tied to future CPI. Although there is inherent risk associated with future leasing arrangements, UMCP remains committed to subleasing Diamondback Garage to private tenants, a practice that currently generates positive cash flow.

UMCP DIAMONDBACK GARAGE LEASE



**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the University of Maryland, College Park exercising the first of its two lease renewal options for Diamondback Garage.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

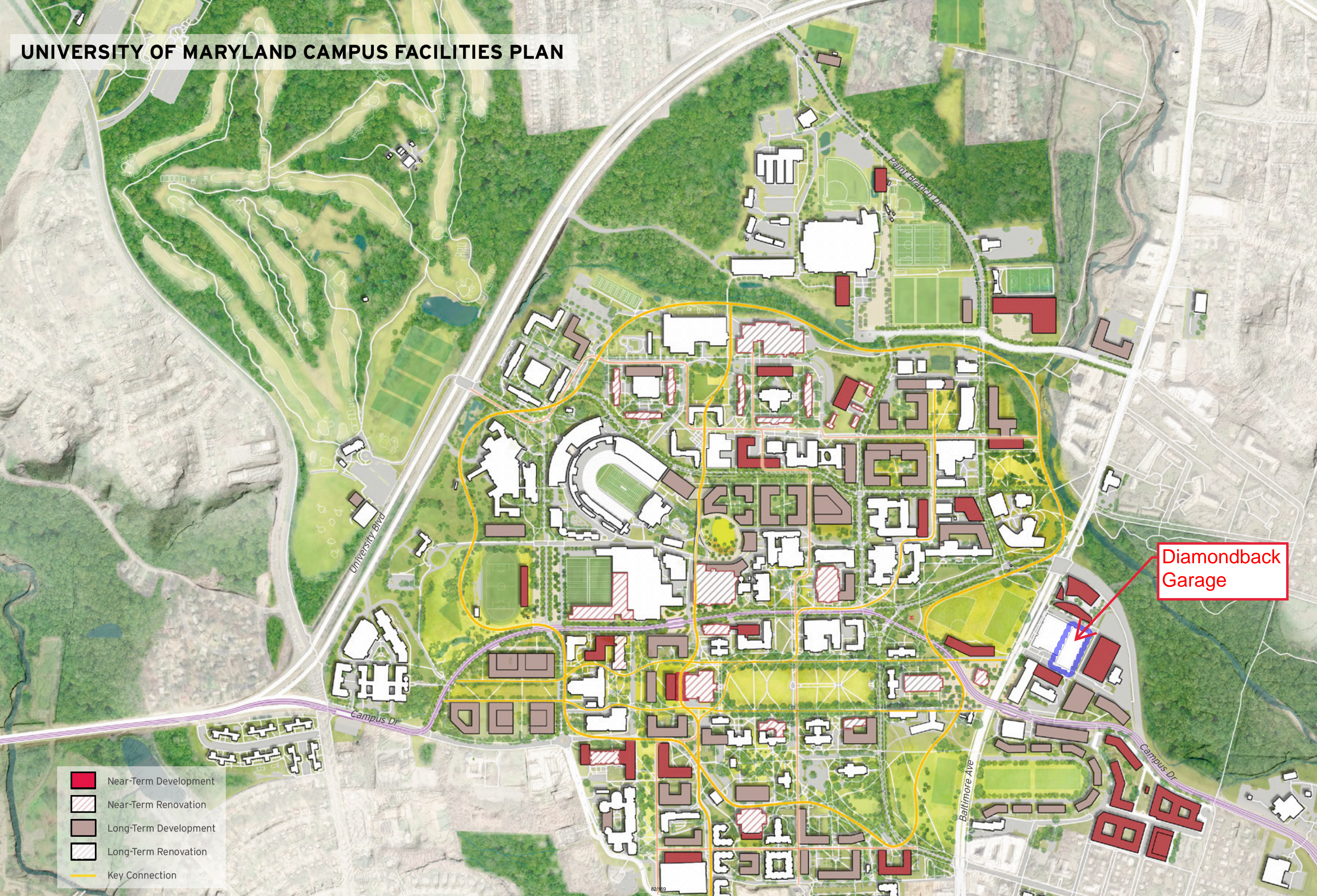
DATE:

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SUBMITTED BY:

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# UNIVERSITY OF MARYLAND CAMPUS FACILITIES PLAN



Diamondback Garage

-  Near-Term Development
-  Near-Term Renovation
-  Long-Term Development
-  Long-Term Renovation
-  Key Connection

**TOPIC:** University of Maryland, College Park: Contract Extension for Official Athletic Team Sponsorship and Intercollegiate Athletics Uniforms and Related Products

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** The University of Maryland College Park (UMCP) requests approval to extend its current contract for official athletic team sponsorship with Under Armour for an additional twelve years. The new contract term would be from July 1, 2024 through June 30, 2036. The current contract, which has been in place since July 1, 2014, expires on June 30, 2024. This is a revenue generating contract that will provide \$98 million to the University over the next twelve years.

The Under Armour-Maryland Athletics relationship extends far beyond the terms of any agreement. For nearly 25 years, Under Armour has supported the University with internships, experiential learning, exclusive tours, and numerous other benefits. The contract extension enhances these attributes of the relationship.

Engaging in a competitive solicitation process at this time has been deemed impractical for several reasons. First, time constraints pose a significant limitation, compounded by the considerable costs associated with transitioning to a new prime supplier. Such a change would inevitably lead to substantial disruptions across the institution, necessitating the replacement of equipment, rebranding efforts, and comprehensive staff training across all UMCP venues. In light of these factors, pursuing a contract extension presents the most favorable option for the University, allowing for increased revenue generation and alignment with key institutional objectives.

UMCP has carefully evaluated the current landscape and determined that now is not the ideal time to initiate a competitive solicitation for Intercollegiate Athletic uniforms and associated products. This decision is underscored by the prevailing economic challenges, including the ongoing inflationary trend and escalating costs of raw materials. Moreover, the potential expenses associated with transitioning to a new prime vendor, coupled with the disruptions it would entail, further solidify the rationale behind our approach.

The proposed extension enhances the revenue streams to UMCP by more than 50% and comes with additional benefit to UMCP in the form of supplemental sponsorship with UMCP Intercollegiate Athletics' multimedia rights partner, a brand ambassador program for student athletes, and enhanced core team performance bonuses.

This request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures, Section VIII.3.10 for procurements exceeding \$5 million. This contract will not require the approval of the Board of Public Works because it falls under a statutory exclusion as well as an exclusion in the USM Procurement Policies and Procedures.

**CONTRACTOR:** Under Armour, CEO: Kevin Plank  
Baltimore, Maryland

**ALTERNATIVE(S):** The University could extend the current contract for one year and solicit the contract for a start date of July 1, 2025. This puts the lucrative revenue stream at risk, potentially resulting in UMCP having to pay for uniforms that would otherwise be included in the sponsorship, and potentially remove access to all branding, uniforms, and related items needed for ICA for Fall 2024 due to the time needed to negotiate a one-year extension.

**FISCAL IMPACT:** \$98 million in revenue to UMCP Intercollegiate Athletics.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve the 12-year contract extension with Under Armour for the University of Maryland, College Park as described above.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**TOPIC:** Approval of FY 2025 Annual Contract between the University System of Maryland on behalf of University of Maryland, Baltimore and the University of Maryland Medical System Corporation

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** Pursuant to Section 13-306 of the Education Article, each year the Board of Regents of the University System of Maryland and the Board of Directors of the University of Maryland Medical System Corporation (UMMS) are asked to approve an Annual Contract between University of Maryland, Baltimore (UMB) and UMMS which states financial obligations, exchanges of services, and any other agreed relationships between them for the ensuing fiscal year concerning the University of Maryland Medical Center (UMMC). The Annual Contract is required to identify all services to be provided and the agreed cost of such services.

Section 13-306 requires that the Annual Contract be submitted to the Board of Regents, upon recommendation of the UMB President, for consideration, any modification, and approval. The Office of the Attorney General has reviewed the Annual Contract text for form and legal sufficiency.

The Board is asked to approve the Annual Contract for FY 2025. For FY 2025, UMMC has elected not to support full costs incurred by UMB (including COLA and merit salary increments for personnel who provide certain administrative or professional faculty services). As a result, the parties have negotiated some service reductions to maintain alignment between UMB costs and UMMC payments.

The majority of faculty and other services reflected in the Annual Contract are provided at UMMC facilities at the UMB campus. The Annual Contract also includes compensation for School of Medicine (SOM) faculty services at UMMS's Midtown hospital, a few blocks north of UMB. Midtown is operationally part of UMMC, although legally separate from UMMC.

In addition to compensation for faculty services, the SOM will benefit from approximately \$10 million in new mission support in FY 2025. The new mission support is referenced in Article XII and Schedule 8 of the Annual Contract for FY 2025. Mission support payments are set by UMMS after considering SOM recommendations and are expected to vary from year to year.

**ALTERNATIVE(S):** An Annual Contract for FY 2025 incorporating the information in the attached schedule is recommended by the President of UMB, the Dean of the SOM, the President of UMMS and the Chancellor. In accordance with Section 13-306, the Committee could postpone action and recommend that the Regents and Directors of the Education Article appoint a joint committee to review the proposed contract. This is not recommended, as UMB and UMMS have agreed upon contract terms.

**FISCAL IMPACT:** The fiscal impact of the FY 2025 Annual Contract is as specified in the attached schedule of payments. Subject to adjustments as discussed in the text of the FY 2025 Annual Contract, it results in a net fund transfer from UMMS to UMB of approximately \$196,000,000 in FY 2025.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend the Board of Regents authorize the President of UMB to execute the FY 2025 Annual Contract.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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**SCHEDULE TO AGENDA ITEM**

**PAYMENTS UNDER  
FY 2021 - FY 2025 ANNUAL CONTRACTS  
BETWEEN UMB AND UMMS**

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<b><u>Payments from UMMS to UMB</u></b>					
Administrative Services	\$ 2,578,473	\$ 2,552,417	\$ 1,846,794	\$ 2,035,824	\$ 2,292,150
<i>Faculty Services:</i>					
School of Medicine	\$ 155,036,448	\$ 166,480,747	\$ 172,140,000	\$ 175,281,503	\$188,156,738
School of Pharmacy	\$ 1,673,899	\$ 1,592,807	\$ 1,535,824	\$ 1,576,028	\$ 1,430,114
School of Dentistry	\$ 588,583	\$ 600,629	\$ 609,038	\$ 647,304	\$ 769,477
Mission Support to SOM	<u>N/A</u>	<u>\$ 3,100,000</u>	<u>\$ 1,030,000<sup>1</sup></u>	<u>\$ 1,010,000</u>	<u>\$10,010,000</u>
<b><u>Payments from UMB to UMMS</u></b>					
Space Charge	(\$ 1,157,304)	(\$ 1,157,304)	(\$ 1,157,304)	(\$ 1,157,304)	(\$ 1,742,190)
Employee Health Services	N/A	N/A	N/A	(\$ 65,000)	(\$ 65,000)
Fringe Benefit Adjustment <sup>2</sup>	<u>(\$ 4,529,735)</u>	<u>(\$ 4,778,533)</u>	<u>(\$ 4,778,533)</u>	<u>(\$ 4,778,533)</u>	<u>(\$ 4,778,533)</u>
<b><u>Net Payments to UMB</u></b>	<b><u>\$ 154,190,364</u></b>	<b><u>\$ 168,390,763</u></b>	<b><u>\$ 171,225,819</u></b>	<b><u>\$ 174,549,822</u></b>	<b><u>\$196,072,756</u></b>

<sup>1</sup> The Agenda Item submitted in 2022 reflected \$0 in mission support to be transferred to SOM. However, better than anticipated financial performance in FY 2023 by UMMC resulted in \$1,030,000 being available for transfer to SOM in FY 2023. Thus, this number has been updated.

<sup>2</sup> The SOM payments for faculty services are calculated using the standard UMB faculty fringe benefit rate. The effective fringe benefit rate for SOM faculty is lower than the campus standard or average rate for other faculty. In consideration of this, UMB will adjust the fringe benefit cost charged to UMMC by \$4,778,533.

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**ANNUAL CONTRACT  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

**BY AND BETWEEN**

**UNIVERSITY SYSTEM OF MARYLAND**

*on behalf of*

**UNIVERSITY OF MARYLAND, BALTIMORE**

**AND**

**UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION**

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**ANNUAL CONTRACT  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

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EXHIBIT B	SERVICES PROVIDED BY UMB TO UMMC
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## ANNUAL CONTRACT FOR FISCAL YEAR ENDING JUNE 30, 2025

This Annual Contract (“**Agreement**”) is made as of July 1, 2024 between the **UNIVERSITY SYSTEM OF MARYLAND**, a public corporation and an agency of the State of Maryland (“**USM**”), on behalf of **UNIVERSITY OF MARYLAND, BALTIMORE** (“**UMB**” or “**University**”), and the **UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION** (“**UMMS**”), a private, nonprofit, nonstock corporation organized under the laws of the State of Maryland which assumed ownership of and management responsibility for the University of Maryland Medical System (as then defined in Maryland law) on July 1, 1984.

### RECITALS

A. UMB, a public university that is part of USM, includes accredited Schools of Medicine, Pharmacy, Law, Dentistry, Nursing, and Social Work, and a Graduate School (each a “**School**,” and collectively the “**Schools**”).

B. University of Maryland Medical Center, LLC (“**UMMC LLC**”) is a nonprofit direct subsidiary of UMMS, which was established as provided in Section 13-303(k) of the Education Article of the Annotated Code of Maryland (the “**Education Article**”). UMMC LLC was formed to operate the University of Maryland Medical Center (“**UMMC**”), the part of UMMS that provides patient care services at facilities formerly part of UMB.

C. UMMC includes: the health care delivery components of the previously State-owned University Hospital; the University of Maryland Marlene and Stewart Greenebaum Comprehensive Cancer Center (the current name of the University Cancer Center referred to in the Medical System Law) the clinical component of the Maryland Institute for Emergency Medical Services Systems; and the R. Adams Cowley Shock Trauma Center. UMMC does not include health care delivery components owned or controlled by UMMS that were not named in the “**Medical System Law**” (as defined below).

D. As provided by Section 13-305 of the Education Article, the clinical faculties of the Schools of Medicine and Dentistry are the sources for the medical staff of UMMC. Physician members of UMMC’s clinical services (“**UMMC Clinical Service**”) are faculty members within the parallel School of Medicine clinical science departments (“**SOM Departments**”). For example, faculty members within the SOM Department of Medicine provide clinical services within the UMMC Medicine Service, and faculty members within the SOM Department of Surgery provide clinical services within the UMMC Surgical Service. The Practice (as defined below) associated with the relevant SOM Department bill the professional fees for the associated UMMC Clinical Services.

E. USM, UMB, UMMS, and UMMC have long-standing, historic associations and enjoy close, cooperative, and effective working relationships. Together they seek to realize the statutory purposes set forth in the Medical System Law, which authorized the creation of UMMS and its subsidiary UMMC.

F. This Agreement is intended by the parties to be the annual contract for the fiscal year ending June 30, 2025, as mandated by Section 13-306 of the Education Article. The annual contract is required to include all financial obligations, exchanges of services, and any other agreed relationships between USM and UMMS for each fiscal year, and to identify the services to be provided and the agreed cost of such services. Because UMMC LLC operates UMMC, as permitted by the Medical System Law, the financial relationships between USM (inclusive of UMB as well as the Schools) and UMMC LLC are also included in this Agreement.

G. Toward this end, and in consideration of the mutual covenants and agreements set forth in this Agreement, USM, UMB, UMMS, and UMMC agree to the terms set forth below.

*[END OF RECITALS]*

## ARTICLE I. DEFINITIONS

In this Agreement, the following words have the meanings indicated:

1. “**2024 Agreement**” means the previous Annual Contract between the parties for the fiscal year ending June 30, 2024.
2. “**2025 Agreement**” means this Annual Contract between the parties for the fiscal year ending June 30, 2025.
3. “**Academic Programs**” has the meaning set forth in Section II.A.
4. “**Board of Directors**” means the Board of Directors of UMMS.
5. “**Board of Regents**” means the Board of Regents of USM.
6. “**Chancellor**” means the Chancellor of USM.
7. “**Dentistry Faculty**” means the faculty of the School of Dentistry.
8. “**Dentistry Faculty Services**” has the meaning set forth in Section IV.C.1.
9. “**Education Article**” means the Education Article of the Annotated Code of Maryland.
10. “**Fiscal Year**” or “**FY 2025**” means the fiscal year ending June 30, 2025.
11. “**FPI**” means University of Maryland Faculty Physicians, Inc.
12. “**Jointly Supported Employee**” has the meaning set forth in Section VI.A.1.
13. “**Leadership Document**” has the meaning set forth in Section IV.A.4.
14. “**Medical System Assets**” means all assets allocated to UMMS as shown on the financial statements of UMMS at the Transfer Date and as more particularly or additionally identified or supplemented by the Board of Regents and approved by the Board of Public Works and transferred to UMMS upon its establishment in 1984, including (except as limited by the terms of the documents of transfer approved by the Board of Public Works) all related land and buildings and funds deposited with the State Treasurer.
15. “**Medical System Law**” means Chapter 288 of the Laws of Maryland of 1984, which is codified (in part) in Title 13, Subtitle 3 of the Education Article.
16. “**Medical System Liabilities**” means all liabilities allocated to UMMS as shown on the financial statements of UMMS at the Transfer Date.

17. “**Midtown**” means the hospital in Baltimore City owned by UMMS through its subsidiaries, University of Maryland Medical Center Midtown Health, Inc. and Maryland General Hospital, Inc. d/b/a University of Maryland Medical Center Midtown Campus, Midtown is a licensed hospital operationally integrated with UMMC.
18. “**MSA**” means the Mission Support Agreement between UMMS, UMMC LLC, and UMB.
19. “**Pharmacy Faculty Services**” has the meaning set forth in Section IV.B.1.
20. “**Practice**” and “**Practices**” have the meaning set forth in Section IV.A.10.
21. “**President**” means the President of UMB.
22. “**School of Dentistry**” or “**SOD**” means the University of Maryland School of Dentistry.
23. “**School of Medicine**” or “**SOM**” means the University of Maryland School of Medicine.
24. “**School of Nursing**” or “**SON**” means the University of Maryland School of Nursing.
25. “**School of Pharmacy**” or “**SOP**” means the University of Maryland School of Pharmacy.
26. “**Shock Trauma Center**” means the R Adams Cowley Shock Trauma Center operated by the UMMC LLC.
27. “**SOD Faculty**” means the faculty of the School of Dentistry.
28. “**SOM Faculty**” means the faculty of the School of Medicine.
29. “**SOP Faculty**” means the faculty of the School of Pharmacy.
30. “**Space Related Resources**” has the meaning set forth in Section V.A.1.
31. “**Supporting Organization**” has the meaning set forth in Section VI.A.1.
32. “**Transfer Date**” means July 1, 1984, the date of transfer of Medical System Assets determined by the Board of Public Works and filed with the Secretary of State and the Department of Legislative Reference.

33. “**UMB**” or “**University**” means the University of Maryland, Baltimore.
34. “**UMB-Supported Employees**” has the meaning set forth in in Section VI.A.1.
35. “**UMMC**” has the meaning set forth in the Recitals.
36. “**UMMC-CEO**” means the person serving as Chief Executive Officer of UMMC LLC and UMMC.
37. “**UMMC Clinical Service**” has the meaning set forth in the Recitals.
38. “**UMMC LLC**” has the meaning set forth in the Recitals.
39. “**UMMC Personnel**” means employees of UMMC, including without limitation employees of UMMC LLC and employees of Midtown, as referred to in Article VI.
40. “**UMMS-CEO**” means the person serving as Chief Executive Officer of UMMS.
41. “**UMMC-Supported Employees**” has the meaning set forth in in Section VI.A.1.
42. “**USM**” means the University System of Maryland.

*[END OF ARTICLE I]*

## **ARTICLE II. COOPERATION IN ACADEMIC PROGRAMS**

### **A. General Agreement to Cooperate in UMB Academic Programs and UMMC Graduate Medical Education Programs.**

Consistent with their educational missions, UMB and UMMC will cooperate in the planning and administration of UMB's health professions academic programs which take place at both UMB and UMMC, including both clinical education and clinical research, and the graduate medical education programs sponsored by UMMC, such as residencies and fellowships, collectively referred to herein as "**Academic Programs.**" Pursuant to UMB's and UMMC's agreement, Academic Programs at UMMC may be co-located, relocated, or extended to Midtown.

### **B. Affiliation Agreements between UMB Schools and UMMC.**

Existing affiliations between UMMS and/or UMMC and the Schools for the conduct of Academic Programs at UMMC will be continued under the direction of the UMMC-CEO, the President, and the Deans of the respective Schools. Affiliation agreements between UMMC and the Schools may be developed by UMMC and UMB as required for accreditation of the UMB Schools' degree programs or UMMC's graduate medical education programs. Affiliation agreements will be modified as appropriate to reflect an Academic Program's co-location, relocation, or extension to Midtown.

### **C. Affiliations between Schools and non-UMMC Institutions.**

UMB will ensure affiliations between UMB Schools and health care institutions other than UMMC do not detract from the operation of Academic Programs at UMMC, inclusive of graduate medical education programs.

### **D. Accreditation and Compliance Considerations.**

1. All actions of the parties with respect to Academic Programs and related affiliations of the parties shall be consistent with applicable accreditation requirements for UMMC's and Midtown's facilities, UMB Academic Programs, and UMMC's and Midtown's graduate medical education programs in terms of both curriculum requirements and standards for patient care.

2. In addition, the parties agree that they will cooperate with respect to implementing their respective policies regarding sexual harassment and sexual misconduct, which include, but are not limited to, policies addressing Title IX of the Education Amendments of 1972, as amended, and Title VII of the Civil Rights Act of 1964, as amended, and policies concerning consensual relationships.

3. More specifically, each party agrees to notify the other promptly upon becoming aware of any allegation of sexual harassment, sexual misconduct, or discrimination against, or by, a representative or affiliate of the other. In the case of UMB, representatives or affiliates include any student, faculty, or staff personnel, and any third parties or contractors under UMB's control. In the case of UMMC or Midtown, representatives or affiliates includes any employee, volunteer, and contractor or its employees, and any medical or professional staff who



are not UMB personnel, but who are credentialed or contracted by UMMC or Midtown to provide services at UMMC or Midtown, as applicable.

4. Each party agrees to cooperate with the other regarding investigations of possible sexual harassment, sexual misconduct, or discrimination at UMMC facilities or elsewhere involving individuals in the categories described above. Each party will support the other in taking steps to end any sexual misconduct, sexual harassment, or discrimination, prevent its recurrence and address its effects. Each party will provide the other with information about applicable policies, and the parties will work together to provide appropriate training and educational materials for their respective constituencies.

**E. Additions of and Changes to Academic Programs.**

1. Information related to additions or changes in UMB's Academic Programs or UMMC's or Midtown's patient care activities which would impact such Academic Program and may affect the budget or operations of the other party shall be provided in advance of the planned changes, but no less than six (6) months prior to the planned change and in sufficient time for UMMC to evaluate the current need, relevance and anticipated duration and to account for any changes in funding within UMMC's annual budget and operational structure.

2. On an annual basis, each Academic Program funded in full or in part by UMMC will be evaluated by UMMC as to its current need, relevance, and anticipated duration. Based on the outcome of that evaluation, UMMC will determine whether modifications to its funding or operational support of the Academic Program in the upcoming fiscal year is necessary and will provide no less than six (6) months' notice of modification of funding or operational support to the affected UMB School.

3. After the President and the UMMC-CEO, or their designees, have discussed any changes to Academic Programs and patient care services and UMB has obtained any requisite approvals from UMMC, as referenced in this Section II.E, planning for the implementation of the approved changes or programs will be coordinated by appropriate UMB and UMMC personnel, as specified by the President and the UMMC-CEO.

**F. Clinical Research and Innovation Conducted/Created at UMMC.**

1. Should UMB require additional use of UMMC or Midtown resources including without limitation facilities, staff, equipment, supplies, IT support, funding, or other support in connection with a clinical research project, UMB, or the appropriate UMB School, should submit a request to the UMMC-CEO or designee (e.g., Chief Medical Officer, Chief Clinical Officer, or such officer's designee) for approval in the format reasonably requested by UMMC. For purposes of this Section, clinical research is understood to mean all types of research, trials, or studies, whether industry-sponsored or principal investigator-initiated.

2. UMB or the School shall submit the request in a timely manner so that UMMC may evaluate the operational and financial implications of the proposed clinical research and confirm that services required for such research may be provided by UMMC or Midtown. To

the extent any such support includes UMMC or Midtown's provision of employees, UMMC or Midtown may determine to document such as Jointly Supported Employees pursuant to Article VI or to document the engagement in another written format agreed to and signed by both parties. UMMC will act in good faith to complete its approval process in a timely manner so as to avoid delay of the UMB approval processes.

3. UMMC and UMB will continue to assess the current processes for initiating, managing and approving clinical research conducted at UMMC and Midtown with the goal of creating a mutually agreed upon process that ensures that: (a) the interests of UMB, UMMC, and Midtown are appropriately represented; and (b) each party has sufficient information regarding the clinical research project to appropriately commit, contribute, and receive appropriate value for its respective roles within and support of the research. In assessing these processes, the parties acknowledge that clinical research is a shared mission. The parties will work in good faith during FY 2025 to identify efficiencies and solutions that appropriately account for the costs and benefits to both parties related to clinical research.

4. UMMC and UMB will maintain appropriate business processes to guide the accurate billing of services delivered in conjunction with clinical research protocols by the appropriate party.

5. Invoices and any other requests for payment for research related services submitted by UMMC to UMB for payment by UMB to UMMC shall be reconciled and processed within 45 days from receipt of the invoice or request, provided that sufficient support is included with the invoice or request, the reconciliation is acceptable to UMB, and UMB has received the sponsor's funding.

6. During FY 2025, the parties agree to work diligently and in good faith to create an underlying agreement that describes each party's role and responsibilities as it pertains to the support of research. This agreement will address, without limitation, the process for ensuring sponsor payments to UMMC where UMMC does not have a direct relationship with the sponsor and is dependent upon UMB to facilitate those payments.

7. UMMC recognizes that the use of UMMC resources for innovation and the creation of intellectual property is a matter separate from clinical research. The parties agree that ownership rights in such intellectual property are governed by UMMC, USM and UMB policy, the parties' Amended and Restated Technology Management Agreement, the Technology Management Agreement regarding the Institute for Health Computing, as well as federal law.

**G. UMB Professional Liability Insurance – Research and Educational Programs.**

Annually, UMB will provide to UMMC information about any professional liability insurance acquired by UMB, or provided by the State of Maryland, to provide coverage for UMB students and/or faculty that would be applicable to incidents arising from educational or research activities conducted by them at UMMC or Midtown.

**H. UMB Obligations Related to Students.** Prior to assigning students to UMMC for an educational clinical experience, as part of the Academic Programs, UMB will provide those students with training, orientation, and immunizations as required by UMMC and/or Midtown, for health care workers, as applicable, and will require students to present evidence of personal health

insurance. In the event UMMC and/or Midtown, as applicable, believes that UMB is not providing the required training, orientation, and immunizations in a timely manner, UMMC may choose to provide the services to the students and will charge the relevant UMB School for the actual cost of the services, or in the alternative deny the students' participation until the students are compliant with the requirements. The current requirements of UMMC and Midtown are listed in *Exhibit A*.

**I. Student Exposure Matters.** If a UMB student is exposed to body fluids (as defined in Section 18-338.1, Health-General Article, Annotated Code of Maryland) while engaged in educational clinical experience at UMMC or Midtown, the student, as a health care provider, may request patient testing under the conditions set forth in such law. The parties will follow applicable policies of UMMC or Midtown, as relevant, except that UMB will be responsible for counseling the students and paying the expenses related to testing.

**J. Consolidation of Funds for Residents and Fellows.**

1. UMB and UMMC will agree on each party's contribution to the salaries of the medical residents and fellows and document each party's share in writing. Because UMMC currently serves as the employer of the medical residents and fellows, UMB will forward its share of the salary cost to UMMC in a time frame agreed to by UMMC so that UMMC can timely support and fund its payroll processes. In that capacity, UMMC administers UMMC funds, Veterans Administration funds, and some other funds assigned to the support of residents and fellows.

2. Except where restricted by law or contract, UMB funds for resident and fellow salaries from accounts identified as revolving and grant accounts will be transferred to UMMC for administration during the Fiscal Year.

3. As a result of discussions during FY 2024, the parties agree to work collaboratively to request and secure funding from the Health Service Cost Review Commission for all learners.

*[END OF ARTICLE II]*

## **ARTICLE III. ADMINISTRATIVE SERVICES**

### **A. UMB Administrative Services Provided to UMMC.**

UMB will provide services to UMMC as described in this Article III and **Exhibits B and C**. UMB will be paid for providing these services and will transfer funds to other components of USM, if appropriate, if other components have been involved in furnishing services to UMMC. Notwithstanding anything stated in Article III or this Agreement, UMMC is not obligated to purchase any set amount of administrative services, or any at all. UMMC will determine its needs for administrative services on a year-to-year basis and the parties will document agreed services and compensation in this Agreement for each applicable fiscal year.

#### **1. UMB Services of Facilities Management and Police Department**

(a) Scope of Services. Through its Office of Facilities Management and its UMB Police Department, UMB will provide to UMMC facilities management and UMB Police services as specified in **Exhibit B**.

(b) Compensation. The compensation for the Facilities Management and UMB Police services for the Fiscal Year is specified in **Schedule 1**. The payment schedule for compensation set forth in **Schedule 1** is set forth in Section X.C.1.

(c) Fee for Service. As stated in **Exhibit B**, some services will be compensated on a fee-for-service basis, with the cost of service being calculated solely by multiplying the hourly wage of the personnel involved, including any shift differential, times the hours or fractional hours required for the service. Compensation for services provided on a fee-for-service basis under this subsection are not included in **Schedule 1** and will be billed to UMMC by the appropriate UMB office, with payment due to UMB within thirty (30) days from UMMC's receipt of UMB's bill for such services.

#### **2. Services of UMB Department of Environmental Health and Safety**

(a) Scope of Services. Through its Department of Environmental Health and Safety, UMB will provide services to UMMC as specified in **Exhibit C**.

(b) Compensation.

i. Compensation for the services described in **Exhibit C** is set forth in **Schedule 1** and the payment schedule for such compensation is set forth in Section X.C.1. Such compensation reflected on **Schedule 1** does not include UMB's direct costs incurred in obtaining materials and supplies necessary to provide the services set forth in **Exhibit C** and UMB's direct costs incurred in obtaining, permits and licenses in the name of UMMC, and UMB may invoice UMMC for any of the same. Further, the compensation does not include the costs of contracted services required to furnish the services.

ii. Services described in *Exhibit C* that exceed limits stated in *Exhibit C* will be considered extra costs. The costs described in this section will be billed to UMMC quarterly, with payment due to UMB within thirty (30) days from UMMC's receipt of UMB's bill.

iii. UMB will not incur any cost or make any expenditure related to the provision of the services described in *Exhibit C*, including without limitation any cost or expenditure for materials, supplies, or contracted services, that exceeds \$1,000 without prior approval of UMMC. Such approval will be provided by the UMMC Chief Operating Officer or designee. UMB reserves the right to request that major purchases or contracts be made directly by UMMC, which UMMC may agree to do or may elect to forgo the particular service.

### 3. **Changes in Level of Administrative Services**

(a) Change Process. Any changes in administrative services during this Fiscal Year must be agreed upon as provided in Section X.I.1. Unless otherwise specifically provided in this Article III, UMMC and UMB shall meet, no later than April 1, 2025, to discuss any anticipated changes in the next fiscal year in UMMC's need, or UMB's ability to provide, the level of administrative services provided by any administrative unit named in this Article III. Further, from time to time throughout the Fiscal Year, pursuant to either party's request, UMMC and UMB will meet to discuss and collaboratively address any such anticipated changes.

(b) Non-Solicitation. In connection with UMMS's establishment of administrative units to carry out functions performed by UMB under this Agreement, UMMS agrees not to hire, employ, or contract with any UMB employee whose function in any way relates to performance of an administrative service by UMB for UMMS. This prohibition is applicable to employees of all UMB administrative units providing services described in Article III of this Agreement. Notwithstanding the foregoing provisions, UMMS may extend offers of employment to UMB personnel who have been laid off or discharged, or who have given UMB at least six (6) months prior written notice of their intention to accept a position with UMMS. The period of notice may be reduced by UMB's Senior Vice President for Administration and Finance.

4. **University of Maryland Identity Program.** UMB, UMMS and UMMC have a joint corporate identity program intended to promote the identifier "*University of Maryland*" and a common logo based upon that identifier for both parties. The identifier and logo will be used in connection with promotional literature, advertising, publications, signage, and other uses, as confirmed in separate memoranda between the parties, approved by the President and the UMMC-CEO. Branding and identification activities will continue in the Fiscal Year. The parties may enter into joint procurements of identity and promotion services, and in that case will reimburse one another appropriately as agreed to allocate costs between the parties.

## **B. UMMC Administrative Services Provided to UMB**

1. UMMC may provide services to UMB as agreed by the President, or designee, and the UMMC-CEO, or designee, on an annual basis. The nature, scope and terms of such service shall be documented in either *Exhibit B* or a separate signed writing. UMMC shall

invoice UMB for services rendered and UMB shall pay for such services within thirty (30) days of the invoice date.

2. Notwithstanding anything stated in this Article III or this Agreement, UMB is not obligated to purchase any set amount of administrative services, or any at all. UMB will determine its needs for administrative services on a year-to-year basis and document such in this Agreement for each applicable fiscal year.

3. For FY 2025 only, SOM will pay UMMC the amount of \$65,000, which shall be paid as set forth in Section X.D. This payment is intended to help defray certain employee health costs associated with faculty physician clinical privileges, such as annual screenings, immunizations, or fit testing which UMMC requires of SOM Faculty. It is not intended to represent a dollar-for-dollar calculation or percentage of the actual costs.

*[END OF ARTICLE III]*

## **ARTICLE IV. UMB FACULTY SERVICES TO UMMC AND MIDTOWN**

### **A. SCHOOL OF MEDICINE FACULTY SERVICES**

#### **1. Scope of Services.**

(a) Pursuant to Maryland law, UMMC's Medical Staff is comprised solely of SOM Faculty who provide professional services within the UMMC Clinical Services in accordance with the purposes set forth in Section 13-302 of the Education Article.

(b) Further, as agreed upon by the Dean of the School of Medicine ("**Dean-M**") and the UMMC-CEO, SOM Faculty shall be engaged by UMMC to fulfill the following roles: (a) teaching and supervision of UMMC residents/fellows as part of Academic Programs, specifically UMMC's graduate medical education programs and the affiliations with UMB's undergraduate academic programs; (b) administrative and supervisory functions on behalf of UMMC or Midtown as required for accreditation of its facilities and programs and as necessary for its efficient operation, such as serving as Medical and/or Program Directors of a UMMC Clinical Service or Clinical Division; and (c) such other services, at UMMC or at Midtown, as reasonably requested by UMMC to support clinical programs and as agreed to by the School of Medicine.

(c) Such engagements are intended to be consistent with the provisions of Section 13-305(c) of the Education Article recognizing the potential of University employees and officials to also hold director, official, or employment roles within UMMS and UMMC.

#### **2. Compensation for Services.**

(a) UMMC will pay UMB the sums stated in *Schedules 2A and 2B* as compensation for the services at UMMC and the sums stated on *Schedule 2C* for the services at Midtown. This compensation falls into one of two categories: (1) "Base Support" or (2) "Seed Support."

i. "**Base Support**" is financial support which is paid to the SOM as support of SOM Faculty salaries. Base Support shall be re-evaluated on an annual basis, each fiscal year, by the parties.

ii. "**Seed Support**" reflects start up support for a specified period of time, which is not intended to be ongoing. Seed Support is limited to one year or such other term as may be agreed upon, in writing, by UMMC and the School of Medicine. Any Seed Support reduction stated in *Schedule 2B* will be allocated among the SOM Departments' services as mutually agreed by UMMC and the School of Medicine. If part or all of the seed support reduction stated in *Schedule 2B* can be restored, the restored funding will be allocated among the SOM Departments/services as mutually agreed by UMMC and the School of Medicine.

iii. The limit of one year, or other agreed upon term, for all Seed Support applies, as set forth in *Schedule 2B*, even if this Agreement continues into the subsequent fiscal year as set forth in Section 13-306(d) of the Education Article.

(b) UMB or the School of Medicine shall provide any information reasonably requested by UMMC to verify the amount and nature of the requested Base Support and/or Seed Support.

(c) *Schedules 2A* and *2B* state the assignment of funding to “Base Support” (*Schedule 2A*), and “Seed Support” (*Schedule 2B*) at UMMC. *Schedule 2C* states the assignment of funding to “Base Support” at Midtown.

(d) *Schedules 2A, 2B, and 2C* include fringe benefit costs at the stated UMB rates. See Section X.K.2 regarding adjustment of the fringe benefit costs.

(e) The payment schedule for *Schedules 2A, 2B, and 2C* is set forth in Section X.C.2.

### 3. Performance Standards and Evaluation

(a) *Service Performance Requirements.* UMMC’s agreement to pay compensation, as reflected in *Schedules 2A, 2B, and 2C*, is in exchange for and conditioned upon the School of Medicine’s agreement to meet the following “**Service Performance Requirements:**” (1) the performance is consistent with the requirements of the Leadership Document, as applicable; (2) the services are provided on an efficient and effective basis that promotes (i) quality, (ii) safety and (iii) customer/patient satisfaction, including but not limited to alignment with UMMS’s digital health strategy; and (3) compensation is based on fair market value.

### 4. Leadership Document and Joint Performance Program

(a) *Leadership Document.*

i. In consultation with SOM, UMMC, and specifically the UMMC Chief Clinical Office, has developed the “*UMMC-SOM Leadership and Structure Document*” dated as of February 15, 2023 (the “**Leadership Document**”), which describes UMMC leadership roles, reporting, and support by SOM Faculty.

(b) *Joint Performance Program.*

i. During each Fiscal Year, the parties agree to continue to work towards improving their respective and collective financial performance, as well as improvement in quality and safety for UMMC patients.

ii. UMMC and SOM have agreed to the general structure of the “*UMMC-UMSOM Annual Contract: Joint Performance Program Playbook*,” dated as of September 29, 2022.



## 5. Changes to Annual Support.

(a) The parties may agree to change the support allocation set forth in *Schedules 2A, 2B (UMMC Base and Seed Support)* and *2C (Midtown Base Support)* and/or to shift support between *Schedules 2A (UMMC Base Support)* and *2C (Midtown Base Support)* to reflect changes in services between UMMC and Midtown, provided such agreement is requested in writing by the School of Medicine and documented pursuant to Section X.I.

(b) Only with the advance written consent of the UMMC-CEO, or designee, may the School of Medicine use the funds budgeted for support of a specific SOM Faculty member or program to pay another faculty member or apply to another program in the event the first individual (i) ceases to receive, or ceases to be eligible to receive, funds from the payments made to the SOM or (ii) the decision is made not to provide such support to the specific program.

(c) The School of Medicine must provide advance notice to UMMC regarding any shift in the collective allocation of SOM Faculty members' effort as compared to the initial allocation of effort, among these areas at the time the support in *Schedules 2A, 2B, and 2C* were agreed upon. In doing so, the School of Medicine and UMMC shall discuss any changes to such support resulting from the reallocation and UMMC must expressly agree to those changes in writing.

(d) In order to account for changes to compensation and/or reallocation of SOM Faculty effort, as described above, through the Fiscal Year, as reasonably requested by either party, UMMC and the School of Medicine agree to cooperatively and collaboratively reconcile payments made pursuant to this Agreement with the actual level of provided pursuant to this Article IV.A. Any adjustments will be made via the appropriate payment or refund by the appropriate party, within 30 days of identifying the need for such adjustment.

**6. Billing and Collection.** Professional services rendered by the SOM Faculty will be billed by the Practices, as provided in the Medical Service Plan, referenced below in Section 10.

## 7. Chairs and Chiefs.

(a) Composition and Responsibility of Chairs and Chiefs.

i. Pursuant to Section 13-305(a) of the Education Article, the Chairs of the SOM Departments serve as Chiefs of the corresponding UMMC Clinical Service. The SOM Department Chairs/Clinical Chiefs must participate in furthering the objectives of the School of Medicine and UMMC.

ii. In so doing, the Chairs/Clinical Chiefs are responsible to the Dean-M for the academic, research, and patient care activities of themselves and their SOM Department faculty. For patient care provided within or on behalf of UMMC, the Department Chairs/Clinical Chiefs are responsible to the UMMC-CEO and CEO of Midtown, as applicable.

iii. If SOM Department Chairs or other SOM Faculty are proposed by the UMMC-CEO to serve as chiefs of service, or their equivalent, at Midtown, the concurrence of the Dean-M is required.

(b) Recruitment and Selection of Chairs and Chiefs.

i. Recruitment and selection of an SOM Department Chair/UMMC Clinical Chief is the joint responsibility of the Dean-M and the UMMC-CEO. Search committees will be appointed by the Dean-M, in consultation with the UMMC-CEO, who shall designate a member of the UMMC administration to represent UMMC on each committee.

ii. Negotiations with prospective new Department Chairs/Clinical Chiefs shall be performed concurrently by the Dean-M and by the CEO/UMMC, with the final proposal being a joint one. Appointments of Division Heads in clinical departments and Medical Directors of clinical specialty units in UMMC shall be made by the Department Chairs/Clinical Chiefs with the approval of the Dean-M and the UMMC-CEO.

iii. The Department Chairs/Clinical Chiefs, Division Heads, and Medical Directors shall all adhere to the Leadership Document.

(c) Chairs/Chiefs, Division Heads, and Medical Director Salaries.

i. Recommendations to the President of salaries for Department Chairs/Clinical Chiefs, Division Heads, and Medical Directors of UMMC Clinical Services or Midtown Clinical Services shall be made with the approval of the Dean-M. The UMMC-CEO will provide input to the Dean-M concerning the evaluations of annual salary increases for clinicians, chiefs, Division Heads and Medical Directors working at UMMC or Midtown.

ii. To the extent the role of a chair/chief, division head, medical director, or the like is eliminated, UMMC will reduce its payments to UMB by the amount allocated for that individual or role, and/or UMB will return any funds paid by UMMC allocated to that role subsequent to the date of the role's elimination, if any.

**8. SOM Faculty Providing Leadership/Administrative/Supervisory or Educational Services.**

(a) Only those SOM Faculty who render specific supervisory, administrative, and/or educational services to UMMC or Midtown or who are otherwise approved by the Dean-M and the UMMC-CEO shall receive income from the payments made to the School of Medicine pursuant to this Section IV.A.

(b) Further, the scope of services and/or job description, the percentage of FTE effort and job description, as well as the professional standards and principles applicable to any SOM Faculty member providing such services and fulfilling such a role for UMMC shall be set forth in a written agreement, as requested by UMMC, signed by representatives of UMMC, UMB

or the applicable School or department and the employee. Such written agreement shall address additional parameters of the faculty member's engagement as the parties deem reasonable.

**9. Payments to Faculty while Physician on Leave.**

Only with advance written approval of the UMMC-CEO and the Dean-M, may SOM Faculty receive income from the payments to the School of Medicine under this Article IV.A, while the faculty are on sabbatical leave, terminal leave, or paid leave of absence or administrative leave related to separation from employment.

**10. Relationship to FPI and Faculty Practices.**

In accordance with the Medical Service Plan ("MSP") of the School of Medicine, FPI is the coordinating corporation for the faculty practice groups affiliated with the School of Medicine (each a "Practice", collectively, the "Practices").

**11. Transition to Programmatic Funds Flow Model.**

(a) The parties have begun transitioning to a fixed fee programmatic funds flow model, which takes into account among other things the SOM Faculty's proportion of effort dedicated to clinical productivity, research, education, administrative services, or other activity, and the associated costs to support these activities.

(b) The parties agree to continue transitioning to such model across all SOM Departments.

(c) The parties will incorporate appropriate performance measures and tools as well as the principle of aligning such funding with national academic clinical and financial performance benchmarks. The parties will work diligently and in good faith to complete this work as soon as possible.

*[END OF ARTICLE IV.A]*

## **B. SCHOOL OF PHARMACY FACULTY AND OTHER SERVICES**

The School of Pharmacy will provide services as described in this Article IV.B.

### **1. Pharmacy Faculty Services.**

(a) The School of Pharmacy will provide pharmacy and pharmacist services for the benefit of UMMC during the Fiscal Year (“**Pharmacy Faculty Services**”). The Dean of the School of Pharmacy (“**Dean-P**”), or designee, and the Director of Pharmacy Services of the UMMC Department of Pharmacy Services, or designee (“**UMMC-Director**”), will collaboratively establish, prior to July 1, 2024, a specific schedule of School of Pharmacy Faculty, as well as residents, who will provide such Pharmacy Faculty Services. That schedule is referred to herein as the “**Pharmacist Schedule.**”

(b) When agreeing to the assignments of SOP Faculty and residents, the Dean-P and UMMC-Director will take into account the nature and scope of the SOP Faculty’s and residents’ experience, expertise and availability.

(c) The Dean-P will ensure that staff assigned to provide Pharmacy Faculty Services receive appropriate faculty appointments in the School of Pharmacy’s Department of Pharmacy Practice and Science and have access to appropriate resources and student information necessary for the performance of agreed upon Pharmacy Faculty Services. The Dean-P shall have authority with respect to all policy decisions related to educational programs of the School of Pharmacy.

(d) The UMMC-Director will ensure that SOP Faculty assigned to provide Pharmacy Faculty Services receive appropriate appointments in the UMMC Department of Pharmacy Services and have access to patient care areas and the data necessary for the performance of agreed upon Pharmacy Faculty Services. The UMMC-Director shall have authority with respect to all policy decisions related to pharmacy services at UMMC.

### **2. Scope of Services.**

(a) The Pharmacy Faculty Services provided at UMMC by the SOP Faculty may include, as agreed to by the parties, and without limitation:

- i. patient care services;
- ii. active participation on committees;
- iii. precepting UMMC residents while on rotation in an assigned service area; and
- iv. provision of staff development programs to the hospital staff.

(b) The Pharmacy Faculty Services must include, and the School of Pharmacy must require SOP Faculty to perform, the following mandatory services:

- i. attendance at UMMC Department of Pharmacy Services meetings and in-services;
- ii. active participation in the activities of the UMMC Pharmacy and Therapeutics Committee, including, if necessary and requested by UMMC, assignment of one School of Pharmacy faculty member to committees addressing appropriate use of medications;
- iii. active participation in UMMC clinical pathway development when appropriate and/or when requested by UMMC in order to maintain best practices within UMMC;
- iv. active participation in UMMC quality improvement and patient safety initiatives when appropriate and/or when requested by UMMC in order to enhance service quality and productivity at UMMC;
- v. active participation in UMMC cost containment and resource utilization projects and documenting cost reductions in a manner requested by UMMC pharmacy leadership; and
- vi. active participation in any other initiative focused on the improvement of pharmacy services within UMMC, as reasonably requested by UMMC.

### **3. Parameters of Pharmacy Faculty Services.**

The activities of the SOP Faculty providing Pharmacy Faculty Services at UMMC pursuant to this Agreement are subject to the following terms:

(a) For SOP Faculty providing direct patient care, the percentage of effort related to inpatient services will be as stated in the Pharmacist Schedule by the School of Pharmacy and UMMC. The School of Pharmacy will require that if SOP Faculty are unable to provide scheduled service coverage, it is the responsibility of the SOP Faculty member to make arrangements for coverage (e.g., swap days with another SOP Faculty member with like expertise, skill and experience), if possible, and to notify a designated School of Pharmacy or the UMMC-Director's designated administrator if coverage cannot be arranged.

(b) For SOP Faculty providing direct patient care, the percentage of effort related to outpatient clinics will be as stated in the Pharmacist Schedule.

(c) Any "covering" Pharmacist must have the appropriate experience and skill set to perform the covered services.

(d) If an SOP Faculty is unable to fulfill the agreed schedule of inpatient or outpatient service regardless of reason (e.g., resignation, sick leave), it is the responsibility of the School of Pharmacy to provide adequate coverage in accordance with the Pharmacist Schedule. If the School of Pharmacy is unable to provide service coverage, then the School of Pharmacy will discuss with the UMMC-Director or designee a commensurate reduction in the financial support stated in *Schedule 3*.

**4. Changes in Costs/Services.** If during the term of this Agreement, the School of Pharmacy's costs of providing the Pharmacy Faculty Services increase due to unexpected merit increases, COLA, or increases in fringe benefits, the Dean-P will provide the UMMC-Director with sixty (60) days' advance notice of the increased costs, and will provide UMMC an opportunity to approve a corresponding increased payment to the SOP. If UMMC does not approve the increased costs, then SOP will make proportionate adjustments to the Pharmacy Faculty Services.

**5. Compensation for Services.**

(a) UMMC shall provide financial support to the School of Pharmacy for SOP Faculty providing Pharmacy Faculty Services to UMMC in accordance with the Pharmacist Schedule. In addition, UMMC and the School of Pharmacy will aim to equally share in the costs of recruiting the SOP Faculty, as defined in this Agreement, as well as the costs of the residency program discussed further below.

(b) UMMC's estimated share of such costs for the Fiscal Year are set forth in *Schedule 3* along with the financial support for the SOP Faculty, staff and residents. *Schedule 3* also reflects, as applicable, fringe benefit costs at standard UMB rates for SOP Faculty. Each party shall invoice the other as necessary to facilitate the agreed upon share/division of recruitment and resident costs between the parties pursuant to each party's standard invoicing procedures.

(c) The School of Pharmacy will pay UMMC for agreed upon services provided to the School in the Fiscal Year, such as preceptor services for School of Pharmacy students. Such service arrangements will be further detailed in a separate document between the parties. Standard School of Pharmacy stipends for clinical faculty will apply. UMMC has no responsibility with respect to those payments.

(d) The payment schedule is set forth in Section X.C.2.

**6. Performance Standards and Evaluation.**

(a) The UMMC-Director and Dean-P will agree upon certain performance standards ("**SOP Performance Standards**"), as well as tools to measure compliance with such standards, applicable to the Pharmacy Faculty Services pursuant to which SOP Faculty and residents will be evaluated. At a minimum, SOP Performance Standards will include compliance with the Leadership Document, as applicable. Such SOP Performance Standards will relate to service efficiency, patient safety, service quality and/or other areas identified by the UMMC-Director and Dean-P.

(b) Throughout the Fiscal Year, the Dean-P and the UMMC-Director, or their designees, will use reasonable efforts to meet regularly to:

i. Reevaluate the needs of the UMMC Department of Pharmacy and the School of Pharmacy;

- ii. Adjust the Pharmacy Faculty Services and/or SOP Faculty assignments to meet these needs in an effective manner, as agreed to;
- iii. Evaluate current Pharmacy Faculty Services provided by the SOP Faculty to UMMC and the SOP Faculty's performance overall in the context of the agreed upon Performance Standards;
- iv. Evaluate services provided by the UMMC Department of Pharmacy Services to the School of Pharmacy, such as student preceptor services; and
- v. Plan for further cooperative development of pharmacy service, education, and research programs.

(c) Either the Dean-P, or designee, or the UMMC-Director, or designee, may initiate an evaluation of the Pharmacy Faculty Services or certain Pharmacist assignments, or request to substitute assigned SOP Faculty. Both the Dean-P and UMMC-Director (or their designees) shall provide any information reasonably requested to perform such evaluation.

(d) Should either the Dean-P or UMMC-Director (or their designees) become dissatisfied with the level or nature of the services received, the Dean-P and UMMC-Director (or designees) shall work, in good faith, to identify a solution. Any differences of opinion between the Dean-P and the UMMC-Director shall be resolved by the President and the UMMC-CEO, or their designees, in accordance with Section X.B, below.

**7. Compensation Reconciliation.** UMMC and the School of Pharmacy will participate, in good faith, in an annual operational and financial review to reconcile payment amounts with the actual level of Pharmacy Faculty Services provided pursuant to this Agreement. Any adjustments as described in Section IV.B.6.b.ii will be made via the appropriate payment or refund by the appropriate party, within 30 days of the end of the applicable quarter.

**8. Billing and Collection.** UMMC personnel will prepare and submit charges for pharmacy services rendered within the UMMC pharmacies in accordance with UMMC standard billing procedures and all such generated revenue will accrue to UMMC.

**9. Joint Residency Program.** UMMC and the School of Pharmacy collaboratively operate and fund residency and fellowship programs. UMMC and the School of Pharmacy's respective obligations are set forth in a memorandum of understanding between the parties that is reviewed, revised, and updated, as needed, each fiscal year. The residents' services provided pursuant to this Article IV.B must adhere to the same performance expectations set forth above, as applicable. Payment for jointly funded residents shall be made as set forth in *Schedule 3*.

*[END OF ARTICLE IV.B]*

## C. SCHOOL OF DENTISTRY FACULTY SERVICES

The Dean of the School of Dentistry (“**Dean-D**”) shall assign SOD Faculty members and other professional staff to UMMC and require such faculty and staff to provide services at UMMC as described in this Article IV.C.

### 1. **Scope of Services.**

(a) The School of Dentistry shall provide UMMC with SOD Faculty members and other professional staff to provide the following services (“**Dentistry Faculty Services**”):

i. Supervision and administration of dental residents, employed by UMMC, in their delivery of comprehensive dental care to UMMC patients;

ii. 24-hour on-call coverage 7 days per week within the inpatient and emergency department setting;

iii. Provision of inpatient oral maxillofacial and dental services as agreed to between Dean-D and the UMMC Chief Clinical Officer or designee;

iv. Faculty coverage of UMMC dental clinics Monday through Friday from 8 a.m. to 4:30 p.m., exclusive of holidays with any changes requiring the approval of UMMC-CEO; and

v. Any additional services agreed to by the Dean-D and UMMC-CEO, or designee.

(b) Notwithstanding the foregoing, due to budgetary constraints that have necessitated a reduction in services, for FY 2025 the Scope of Services described above shall be modified as follows: The UMMC Dental Clinic will close for the equivalent of 2 days per month and 4 half day closures during the Fiscal Year.

(c) The Dean-D shall assign individual SOD Faculty to perform responsibilities under this Agreement and, at the Dean-D’s discretion, may substitute other SOD Faculty members who meet the requisite skill set, after consultation with the UMMC-CEO.

(d) One of the SOD Faculty members assigned under this section shall serve as the Chief of the UMMC Dentistry Service upon approval of the UMMC-CEO. The Chief of the UMMC Dentistry Service will direct all activities of the SOD Faculty pursuant to this Agreement, supervise SOD Faculty dentists and dental residents, and provide back-up services as required in his or her judgment.

(e) During the term of this Agreement, if the School of Dentistry’s costs of providing the Dentistry Faculty Services increase due to unexpected merit increases, COLA, or increases in fringe benefits, the Dean-D will provide the Director with sixty (60) days’ advance notice of the increased costs, and will provide UMMC an opportunity to approve a corresponding increased payment to the School of Dentistry. If UMMC does not approve the increased costs, School of Dentistry will make proportionate adjustments to the Dentistry Faculty Services.



## **2. Personnel, Supplies and Space.**

(a) UMMC shall provide at no cost to the School of Dentistry such UMMC Personnel as may be necessary for the Dentistry Faculty to execute their responsibilities under this Agreement. UMMC will have the exclusive right to approve or disapprove all assignments of UMMC Personnel and related expenditures for this purpose proposed by the School of Dentistry.

(b) UMMC shall provide at no cost to the SOD Faculty the supplies necessary for the SOD Faculty to execute their responsibilities under this Agreement. UMMC will have the exclusive right to approve or disapprove all expenditures requested by the School of Dentistry for these purposes.

(c) UMMC shall provide the School of Dentistry, at no charge, office space for administrative functions as necessary for the SOD Faculty to execute their responsibilities under this Agreement. The scope and location of such administrative space shall be determined by UMMC in consultation with the Dean-D or designee. UMMC may agree to re-evaluate the space allocation to accommodate changes in provider, patient, and service volumes. This space shall be subject to the space use review described in Article V.

(d) The space and other resources addressed herein is distinct from space and other administrative support UMMC may agree to provide to the School of Dentistry and SOD Faculty for use in connection with their professional practices, such as laboratory space and sterilization equipment. As such, the School of Dentistry agrees that none of the space, support or resources provided in connection with the School of Dentistry's provision of Dentistry Faculty Services to UMMC patients will be utilized in connection or comingled with its private practice services or functions. The use of and payment for that space and such resources is addressed in Article V.

**3. Billing and Collection.** UMMC personnel, within the Division of Oral and Maxillofacial Surgery and Hospital Dentistry, under the supervision of the Chief of the Oral and Maxillofacial Surgery Service, will prepare and submit charges for dental services rendered by oral and maxillofacial surgery/dental residents in the UMMC Oral and Maxillofacial Surgery Clinic according to procedures of UMMC's Finance Department. All revenue generated from patient services delivered by oral and maxillofacial surgery residents in UMMC clinics will accrue to the UMMC Oral and Maxillofacial Surgery and Hospital Dentistry Clinic.

**4. Compensation.** The compensation payable by UMMC to the School of Dentistry for Dentistry Faculty Services for the Fiscal Year is set forth in **Schedule 4**, which reflects faculty fringe benefit costs at the standard UMB rate. The payment schedule is set forth in Section X.C.2.

**5. Compensation and Reconciliation.** As requested by either party, UMMC via the UMMC-CEO or designee, and the School of Dentistry will participate, in good faith, in regular operational and financial review meetings to reconcile payment amounts with the actual level of Dentistry Faculty Services provided pursuant to this Agreement as contemplated by Section

IV.C.1.a.v. Any adjustments will be made via the appropriate payment or refund by the appropriate party, within 30 days of the end of the applicable review period.

**6. Performance Standards and Evaluation.**

(a) The Dean-D and UMMC-CEO, or designees, will agree upon certain performance standards applicable to the School of Dentistry and residents, which will include compliance with the Leadership Document, as applicable, as well as tools to measure compliance with such performance standards, applicable to the Dentistry Faculty Services pursuant to which School of Dentistry Faculty and residents will be evaluated (“**SOD Performance Standards**”).

(b) Such SOD Performance Standards will relate to patient satisfaction and other CG-CAHPS performance measures, timely medical record documentation, avoidable readmissions, smoking cessation education and/or other areas identified by the UMMC CCO or designee and Dean-D.

(c) Any differences of opinion between the Dean-D and the UMMC-CEO shall be resolved by the President and the UMMC-CEO, or their designees, in accordance with Section X.B.

*[END OF ARTICLE IV.C]*

**D. SCHOOL OF NURSING FACULTY SERVICES**

1. Pursuant to the agreement of the Dean of the School of Nursing (“**Dean-N**”) and the Senior Vice President, Chief Nursing Officer of UMMC (“**UMMC-CNO**”), nurses, employed by UMMC may be assigned to work part-time as faculty of the School of Nursing to teach agreed courses at the School of Nursing and/or at UMMC.

2. Payment for these UMB-Supported Employees will be made to UMMC following the end of the academic year. The terms and conditions of these service arrangements must be documented in individual Professional Services Agreements agreed to by the Dean-N and the UMMC-CNO in consultation with the UMMC-CEO.

3. The payment schedule is set forth in Section X.D.2.

*[END OF ARTICLE IV.D]*

**E. GENERAL REQUIREMENTS APPLICABLE TO  
ALL UMB PERSONNEL AND SERVICES**

**1. Professional Qualifications.** As a general matter, all UMB Personnel funded pursuant to this Agreement must be:

- (a) Duly licensed, registered and/or certified to perform the applicable services;
- (b) Duly credentialed or privileged as required by UMMC and/or Midtown policy and Medical Staff bylaws; and
- (c) Not excluded from participation in any government health care program.

**2. Performance Requirements, Standards and Evaluations.** All UMB Personnel must:

- (a) Perform the services in accordance with the applicable job description, and if applicable the Leadership Document;
- (b) Adhere to UMMC and/or Midtown policies and procedures; and
- (c) Comply with all applicable state and federal laws including without limitation laws targeting fraud, waste and abuse, as well as the privacy and security of patient information.

**3. UMMC Space Utilization by UMB.** UMMC or Midtown shall only provide space and other Space Related Resources to UMB Personnel at no cost if the use of such space is for the provision of services pursuant to this Agreement on behalf of UMMC or Midtown, or for the benefit of their patients. Use of space and Space Related Resources (as defined below) for any other purpose shall be subject to Article V.

*[END OF ARTICLE IV.E]*

## **ARTICLE V. COMPENSATION FOR USE OF SPACE**

### **A. Use of Space.**

1. In recognition of their joint mission, as set forth in the Medical System Law, and historic cooperation and collaborations, UMB and UMMS/UMMC each use space within buildings owned by the other party. In doing so they each may also utilize resources, such as furniture, fixtures, equipment, information technology (IT) and related support (“**Space Related Resources**”).

2. The parties agree to continue to allow such use of space and Space Related Resources pursuant to the terms of this Article V.

3. The parties have completed a comprehensive space study regarding each party’s use of the other’s buildings and facilities, and in December 2023, leaders for each of the parties met and agreed that decisions about space and about space costs should be made in consideration of the parties’ joint mission of education, research, and clinical care.

4. The parties shall conduct a comprehensive space study every five (5) years with results being finalized at least by December of that year to provide adequate time for the parties to discuss prior to the finalization of this Agreement for the subsequent fiscal year. The next space study will be completed by December 31, 2029.

5. For Fiscal Year 2026, the Parties have agreed that they will negotiate in good faith to develop an agreed upon process for the use of space among the Parties, changes to that use and any compensation required for that use, if any, in consideration of the Parties’ joint mission.

### **B. Compensation for Space.**

For FY 2025, UMB shall pay UMMC for space as set forth on *Schedule 5*, and Section X.B.1.

### **C. Space Use Compliance.**

Each party’s use of the other’s space shall be subject to all applicable policies, rules, and regulations of the other party, including but not limited to those regarding personnel and visitor access, security, maintenance, storage, and disposal of chemical or pathological waste, and storage and disposal of select agents.

### **D. Changes to Space Use.**

1. During the Fiscal Year, the parties shall request any needed change to, or reallocation of their current use of space within sixty (60) days, or other time period agreed to by the parties, before the date of the desired change or reallocation.

2. UMB shall submit its requests to the UMMC Chief Operating Officer, and approval must be provided by the UMMC-CEO or designee. UMMC shall submit its requests to the President's designee, and approval must be provided by the President or designee. Such approvals must be obtained in advance of any change.

3. If the proposed changes are not mutually acceptable, the issues shall be referred to the President and the UMMC-CEO for decision in accordance with Section X.B. Notwithstanding, it is the parties' intent that the process contemplated in Section V.A.5 be designed to address these types of issues.

*[END OF ARTICLE V]*

## **ARTICLE VI. PERSONNEL MATTERS**

### **A. Jointly Supported Employees.**

1. Certain full-time employees of UMB or UMMC may have job responsibilities that directly benefit the other party, or are specifically engaged by the non-employing party to perform duties for that party and are not otherwise included within the scope of Articles I-V.

(a) Such engagements are intended to be consistent with the provisions of Section 13-305 of the Education Article recognizing the potential of University employees and officials to also hold director, official, or employment roles within UMMS and UMMC.

(b) As such, the employee is financially supported by both entities and for purposes of this Article VI referred to as a “**Jointly Supported Employee.**” The non-employing party receiving such benefit and providing the corresponding financial support is referred to as the “**Supporting Organization.**”

(c) For clarity, the following are not subject to this Article VI: administrative services addressed in Section III.A.2 (*Facilities Management and Police*) and Section III.A.3 (*Environmental Health and Safety*); and professional faculty services addressed in Article IV.A (*Medicine*), Article IV.B (*Pharmacy*), and Article IV.C (*Dentistry*). Those administrative and faculty services are, instead, governed by those Articles and the corresponding Exhibits and Schedules.

2. The President and the UMMC-CEO, or their respective designees, must approve in writing: (1) any Jointly Supported Employee arrangement; (2) any temporary employment or consulting agreements between an employee of one party and the other party; and (3) the compensation payable by the Supporting Organization for the services of the Jointly Supported Employees.

3. UMB employees who have job responsibilities including activities of direct benefit to UMMC and/or Midtown, in exchange for which UMMC provides financial support to UMB, are referred to herein as “**UMMC-Supported Employees.**” UMMC Personnel who have job responsibilities including activities of direct benefit to UMB in exchange for which UMB provides financial support to UMMC, are referred to herein as “**UMB-Supported Employees.**” Individuals who are part-time employees of UMB, and also part-time employees of UMMC, are not Jointly Supported Employees.

**B. Scope of Services/Job Descriptions.** The scope of services and/or job description, the percentage of FTE effort and job description, as well as the professional standards applicable to a Jointly Supported Employee’s role for a Supporting Organization shall be set forth in a written agreement signed by representatives of UMMC and UMB or the applicable School or department and the employee. Such written agreement shall address additional matters relating to the Jointly Supported Employee’s engagement as the parties deem reasonable.

**C. Payment for Jointly Supported Employees.**

**1. Payment to UMB for UMMC-Supported Employees**

(a) Payment to be Proportionate to Effort. UMMC may fund the full amount, or an agreed upon share, of UMB’s salary and fringe benefits cost (“**Employment Cost**”) for UMMC-Supported Employees. UMMC’s percentage share of Employment Cost for a UMMC Supported Employee will be the same as that employee’s percentage effort resulting in direct benefit to UMMC and/or Midtown, as determined by UMB and UMMC, acting through the department/executive personnel delegated responsibility to make the determination. UMMC may recover a share of its cost from Midtown as agreed between UMMC and Midtown. UMB will not bill Midtown.

(b) Limits on Use of UMMC Support. UMMC support of Employment Cost may not be used to increase the salary or overall compensation of a UMMC Supported Employee above a UMB approved level.

(c) Schedule of UMMC-Supported Employees and Changes to that Schedule.

i. Except to the extent services of UMMC-Supported Employees are covered by a separate written agreement that has been duly approved by UMB and UMMC, UMB and UMMC shall maintain a schedule of the UMMC-Supported Employees and associated Employment Costs to be paid by UMMC for such UMMC-Supported Employees.

ii. This “**UMMC-Supported Employee Schedule**” will be finalized no later than the end of the Fiscal Year. On a semi-monthly basis, UMMC will pay UMB 1/24 of the aggregate UMMC-Supported Employees cost as stated in the Schedule, as provided in Section X.C.3.

iii. The payment so determined will be in effect following agreement upon the Schedule for the Fiscal Year. In issuing its first payment in this Fiscal Year, UMMC will pay for the UMMC-Supported Employees services retroactive to July 1 of this Fiscal Year.

(d) Changes.

i. During the Fiscal Year, any changes to the Schedule of UMMC-Supported Employees due to departures or changes in scope of employment, hiring, payroll practices, and salary adjustments (such as merit increase or COLA) must be agreed to in advance by both parties.

ii. To the extent there are changes of the UMMC-Supported Employee Schedule as agreed by the UMMC-CEO and President, or designees, UMB may not reallocate any employee costs for any other purpose without the prior written consent from UMMC-CEO or designee.



iii. Further, twice per year, once after December 31 of the Fiscal Year, and again after the close of the Fiscal Year, UMB and UMMC will reconcile UMMC's payment for UMMC-Supported Employees to the services provided by those employees and the costs actually incurred by UMB.

iv. Within 90 days after these two reconciliations, UMB will calculate a reconciling sum and submit to the appropriate UMMC representative, as designated by the UMMC/CFO or designee, so that UMMC only pays for the actual services provided by UMMC-Supported Employees and the actual costs incurred by UMB related to those services, as agreed by UMB and UMMC.

**2. Payment to UMMC for UMB-Supported Employees.**

(a) Grant Funded Activities of UMB-Supported Employees. To the extent UMMC Personnel who are UMB-Supported Employees devote part-time or full-time effort to clinical, research related or other activities at UMMC and/or Midtown or at UMB health care delivery sites for which UMB receives grant and contract support or other funding, UMB will transfer to UMMC funds received for salaries and fringe benefits of such UMMC Personnel, in accordance with the budgets of these grants, contracts and other funding. Such amounts shall be proportionate to UMMC Personnel efforts and activities.

(b) School of Medicine Services. To the extent UMMC Personnel who are UMB-Supported Employees devote part-time or full-time effort to activities of the School of Medicine, as agreed between the SOM Departments and UMMC and/or Midtown, the invoices and payments will be processed in accordance with the parties' agreements as provided in Section X.D.3.

(c) Other University Services. To the extent UMMC Personnel who are UMB-Supported Employees devote part-time or full-time effort to activities of the University or its schools, payment shall be made by UMB to UMMC in the manner set forth in the agreed upon Professional Services Agreement or other MOU as agreed to by the President or applicable Dean and CEO, or their respective designees.

**3. Assistance in UMMC Collection for Practice Supported Employees.** Some full-time UMMC Personnel devote part-time or full-time effort to activities of the Practices. If a Practice has committed to support the employment of UMMC Personnel, UMB will provide support reasonably requested by UMMC to collect invoiced, but unpaid, sums due from Practices. UMMC recognizes that UMB does not control the funds of the Practices.

**D. General Requirements Applicable to All Jointly Supported Employees**

1. **Professional Qualifications.** As a general matter and as applicable, all Jointly Supported Employees must be:

- (a) Duly licensed, registered and/or certified to perform the applicable services;
- (b) Duly credentialed or privileged as required by UMMC policy and Medical Staff bylaws; and
- (c) Not excluded from participation in any government health care program.

2. **Performance Requirements, Standards and Evaluations.** All Jointly Supported Employees, must:

- (a) Perform the services in accordance with the applicable job description of the Supporting Organization;
- (b) Adhere to the Supporting Organization’s policies and procedures; and
- (c) Comply with all applicable state and federal laws including without limitation laws targeting fraud, waste and abuse, as well as the privacy and security of patient information.

3. **Performance Evaluations and Reconciliation.**

(a) At least quarterly, representatives of UMB, UMMC, and the applicable Schools will make a good faith effort to meet to review the status of the obligations of UMMC, UMB and the applicable Schools to one another for support of Jointly Supported Employees, to reconcile obligations to one another for Employment Cost support and to evaluate the performance of the Jointly Supported Employee.

(b) The President, the applicable Deans, and the UMMC-CEO shall designate representatives for these meetings. The target dates for meetings are October 1, 2024, December 1, 2024, February 1, 2025, and May 1, 2025.

(c) The parties agree to share any information reasonably requested in order to perform such evaluations and reconciliations including documentation of the Jointly Supported Employee’s salary and fringe benefit costs.

4. **Cost Increases.**

(a) Effective July 1, 2024, for current approved Jointly Supported Employees, the parties agree to pay for their proportional share of a salary increase equal to the merit-based percentage increase applied to UMMC Personnel.

(b) During FY 2025 if either party’s actual costs to employ a Jointly Supported Employee increase due to promotions, merit increases, COLA, or increases in fringe benefits, the employing party seeking the increase will provide the Supporting Organization with sixty (60) days’ advance notice of the increased costs. The Supporting Organization will have the opportunity to approve or decline a corresponding increased payment.

(c) If the Supporting Organization declines to pay the increased costs for any such increases, the Jointly Supported Employee’s percentage of work effort will be reduced by the employing party by the percentage of shared financial support.

**E. Compliance with Policies and Procedures.**

1. In performing the duties for a supporting party, the Jointly Supported Employee is considered part of the Supporting Organization's workforce and as such must adhere to all applicable policies and procedures, in addition to all applicable state and federal laws in the course of performing the duties hereunder.

2. Each party agrees that the Supporting Organization will have unrestricted access to interview a Jointly Supported Employee at reasonable times for the purpose of determining such Jointly Supported Employee's compliance with this Agreement.

3. Each party agrees that a Jointly Supported Employee may be accompanied at such interviews by a member of senior leadership, a chair or a representative of a chair, as may be applicable and, if the interview involves a potential criminal issue, by a legal representative, with respect to UMB employees, or UMMC Office of General Counsel and/or legal counsel or representative as designated by the employee with respect to UMMC Personnel.

**F. Employer Obligations.** The employing party assigning its employees to work for the Supporting Organization will remain the lawful employer of the Jointly Supported Employee and responsible for all employer obligations, such as the preparation of any income reports to tax authorities and the maintenance of appropriate workers compensation coverage and unemployment insurance. The Jointly Supported Employee shall not be a common law employee of the Supporting Organization.

**G. Termination.**

1. As to any Jointly Supported Employee, either party may terminate the arrangement and related support following not less sixty (60) days written notice, provided such notice is in compliance with notice requirements under applicable employment laws.

2. Notwithstanding, a party may terminate such support and arrangement immediately without prior written notice upon the Supporting Organization's reasonable determination, communicated in writing to the other party, that the Jointly Supported Employee has violated the Supporting Organization's policies, procedures, or applicable law.

3. A party will have no obligation to assign an employee to perform work for the other party if the employee has ceased to be a Jointly Supported Employee due to notice given by the other party under the first sentence of this Section, a party will have no ability to assign an employee to perform work for the other party if the employee has ceased to be a Jointly Supported Employee due to termination by immediate notice given by the other party as provided in the second sentence of this Section.

*[END OF ARTICLE VI]*

## **ARTICLE VII. ASSUMPTION OF LIABILITIES; INSURANCE**

**A. No Assumption of Liabilities.** None of UMMS, UMMC LLC, or Midtown shall assume any liabilities of UMB, USM, or the State other than the Medical System Liabilities, other liabilities identified in Section 13-308 of the Education Article, and the liabilities specifically described in this Article VII or in Article IX.

**B. Cooperation of Defense of Claims (UMMS).**

UMMS (1) will cooperate fully with UMB and the Office of the Attorney General in the investigation and defense of potential claims and claims asserted against UMB or its officers or employees incurred or arising in connection with (a) the operation of the “Medical System Assets” prior to the Transfer Date, for which claims liability is not assumed by UMMS, and (b) education or research activities conducted by UMB, its faculty, or students at UMMC or Midtown; and (2) will direct its professional staff and administration, including employees of the UMMC LLC and Midtown, as applicable, to provide non-legal advice and consultation to UMB and the Office of the Attorney General with regard to such matters at no cost.

**C. Cooperation of Defense of Claims (UMB).**

UMB (1) will cooperate fully with UMMS and its legal counsel in the investigation and defense of potential claims and claims asserted against UMMS, the UMMC LLC, Midtown or the officers or employees of any such entity, and claims for which UMMS has assumed responsibility, incurred or arising in connection with (a) operations, prior to the Transfer Date, of the clinical facilities among the Medical System Assets, (b) services provided to UMMC or Midtown by UMB after the Transfer Date pursuant to this Agreement or any prior Annual Contract, and (c) education or research activities conducted by UMB, its faculty or students at UMMC or Midtown; and (2) will direct its professional staff and administration to provide consultation to UMMC and Midtown and their legal counsel with regard to such matters at no cost.

**D. Insurance.**

To the extent feasible in the opinion of the UMMC-CEO, UMMC will procure insurance adequate to protect UMB’s interest and provide for UMB’s defense and indemnification with respect to the matters described in Subsection 13-308(c) of the Education Article. UMMC will remain liable for any obligations under that Subsection which are not provided for by insurance.

**E. Professional Malpractice Insurance.**

1. The President and the UMMC-CEO shall establish procedures for coordinated planning of malpractice insurance for the UMB faculty, staff, and students, UMMC, and UMMC Personnel. In planning, representatives from the School of Medicine, other UMB schools and UMMC shall be involved as the President and the UMMC-CEO deem appropriate.

2. During the Fiscal Year, (1) UMMC and/or Midtown, as applicable, will support the purchase of malpractice insurance for the faculty on the medical staff of UMMC and/or Midtown as applicable, but only to the extent determined by the Board of Directors upon the recommendation of the UMMC-CEO; (2) UMMC will pay premiums for malpractice insurance for all medical residents and fellows in the UMMC graduate medical education programs; and (3) the School of Medicine and UMMC will collect from third parties and credit to UMMC the cost of malpractice insurance premiums for medical residents and fellows providing services at health care facilities other than UMMC for consideration payable to the School of Medicine or to UMMC.

**F. Indemnification by UMMS.**

1. UMMS hereby waives, and agrees to defend, indemnify, and hold harmless, the State of Maryland, USM, the University, and their officers and employees from:

(a) Any claim, lawsuit, loss, damage, or liability arising out of the performance of services for UMMC or Midtown pursuant to Article III (Administrative Services), Section IV.A.1 (UMB Faculty Services), and Sections VI-A - G (Jointly Supported Employees);

(b) Any claim, lawsuit, loss, damage, or liability brought by or on behalf of any UMMC or Midtown volunteer or employee who is not a member of the medical staff of UMMC or Midtown; and

(c) Any claim, lawsuit, loss, damage, or liability arising out of supervision or administrative services related to such UMMC or Midtown volunteer or employee, which services were performed in good faith for UMMC or Midtown by the UMB faculty pursuant to Article IV (UMB Faculty Services).

2. UMMS will defend, indemnify, and hold harmless UMB with respect to all claims related to the employment relationship prior to the Transfer Date between UMMC Personnel and the University and the State during a time when such personnel were assigned in UMMC.

3. Obligations and liabilities of UMMS to USM and UMB may not be transferred to the UMMC LLC and/or Midtown. Any obligations and liabilities of UMMC or Midtown provided in this Agreement are the obligations and liabilities of UMMS, and any commitments, waivers or other actions undertaken by UMMC or Midtown in this Agreement are imputed to UMMS.

*[END OF ARTICLE VII]*

## **ARTICLE VIII. MEDICAL STAFF**

**A.** UMMC medical staff bylaws provide that all members of the regular medical staff (subject to certain exceptions) must hold faculty appointments at the School of Medicine or the School of Dentistry.

**B.** Faculty applications to the medical staff of UMMC will be submitted as required under the UMMC medical staff by-laws, and will be granted or denied by UMMC following review in accordance with the by-laws.

**C.** The Schools of Medicine and Dentistry will use their best efforts to process faculty appointments within 120 days from faculty hire, will notify UMMC when faculty appointments are complete, and will notify UMMC when faculty appointments are terminated, all of the foregoing requirements applying only with respect to faculty who apply for membership in the regular medical staff.

**D.** If UMMC should consider seeking termination of medical staff privileges granted to any faculty member, or asking that any member of the faculty resign from the medical staff, before initiating any such action the UMMC-CEO or designees shall consult with the Dean of the faculty member's school, and, except in an emergency, before taking action shall permit that Dean a reasonable time to consult with the President and the Office of the Attorney General concerning the impact of such action upon the faculty status of the medical staff member.

*[END OF ARTICLE VIII]*

## **ARTICLE IX. ENDOWMENTS**

Any endowments or gifts received by UMB during the Fiscal Year that are explicitly for the benefit of UMMS or any of its parts will be identified to UMMS by UMB and transferred as UMMS directs, both within ninety (90) days of receipt.

Any endowments or gifts received by UMMS during the Fiscal Year that are explicitly for the benefit of UMB or any part of the UMB will be identified to UMB by UMMS and transferred as UMB directs, both within ninety (90) days of receipt.

If a court order or other approval required by law is necessary to transfer any endowment or gift, the parties will cooperate to seek needed action in a timely manner, recognizing that delays in seeking or obtaining approvals may delay transfer of endowments or gifts.

*[END OF ARTICLE IX]*

## **ARTICLE X. ADMINISTRATIVE MATTERS**

### **A. Governing Law.**

This Agreement is subject to and shall be interpreted in accordance with the laws of the State of Maryland and shall be liberally construed to effect the purposes of the Education Article as stated therein. If any provision of this Agreement shall be determined by a court of law to be unlawful, that provision shall be null and void, but the remainder of this Agreement shall remain in effect. Nothing contained in this Agreement shall be deemed or construed to waive or abrogate in any way the sovereign immunity of the State, USM, or UMB, or to deprive USM, UMB or any officer or employee thereof of sovereign immunity.

### **B. Interpretation Disputes.**

If there should be any dispute between the parties related to the interpretation or administration of this Agreement, the President and the UMMC-CEO, or their designees, shall consider fully the dispute and seek to make a joint decision for resolution of the matter within 30 days. If they are unable to reach a joint decision, the President or the UMMC-CEO may request that a committee comprised of three (3) members of the Board of Directors and three (3) members of the Board of Regents be convened to meet and attempt to reach a resolution acceptable to the institutions' governing boards, using a process and procedures as shall be established by such ad hoc committee.

### **C. Payment Schedule for Compensation due to UMB from UMMC.**

Compensation due UMB from UMMC is payable according to the following schedule:

1. Administrative Services Payment Schedule. Payments for services described in Article III (Administrative Services) are due in twenty-four equal installments payable on the fifteenth (<sup>1</sup>5th) and thirtieth (<sup>3</sup>0th) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year. Each installment shall be one-twenty-fourth (1/24) of the total in **Schedule 1**. This payment schedule applies to amounts set forth in the applicable **Schedule 1**. It does not apply to any costs invoiced between the parties as provided for in Article III.

2. Faculty Services Payment Schedule. Payments by UMMC for faculty services described in Article IV.A, Article IV.B, and Article IV.C, and Schedules 2A, 2B, 2C, (Medical Faculty), Schedule 3 (Pharmacy Faculty), and Schedule 4 (Dentistry Faculty) are due in installments of one-twenty-fourth (1/24) of the total of payments stated in those Schedules. Installments are due on the fifteenth and thirtieth days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

3. UMMC-Supported Employees Payment Schedule. Payments by UMMC described in Section VI.C.1. (related to UMMC-Supported Employees), will be made semi-monthly on the fifteenth (15<sup>th</sup>) and thirtieth (30<sup>th</sup>) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.



**D. Payment Schedule for Compensation due to UMMC from UMB.**

1. Payment for Space Use. Compensation due from UMB to UMMC for space usage will be payable in installments of one-twenty-fourth (1/24) of the total stated in *Schedule 5*. Installments are due the fifteenth (15<sup>th</sup>) and thirtieth (30<sup>th</sup>) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year. This payment will be effectuated by UMMC reducing each installment payment due to SOM pursuant to Section IV.D.2 for SOM Faculty services in an amount equal to the amount due to UMMC for UMB's use of space in the same installment period.

2. Payment for Nursing School Faculty Services. Compensation from the School of Nursing for faculty services as agreed to in writing in accordance with Section IV.D, will be payable in a single payment due no later than June 30, 2024.

3. UMB-Supported Employee Payment Schedule. Payments by UMB described in Section VI.C.2.b (related to UMB-Supported Employees), will be made semi-monthly on the fifteenth (15<sup>th</sup>) and thirtieth (30<sup>th</sup>) days of each month (except for the second payment in February, which is due on the last day of February) in the Fiscal Year.

4. Employee Health Costs. As set forth in Section III.B.2 and *Schedule 6*, SOM will pay UMMC the amount of \$65,000 to help defray certain employee health costs associated with physician clinical privileges such as annual screenings, immunizations, or fit testing which UMMC requires of SOM Faculty.

**E. State Appropriations to USM or UMB for UMMS.** If any State appropriated funds are appropriated to USM or UMB for the Fiscal Year and provided by the State for transfer to UMMC, the funds will be paid to UMMC by USM or UMB in two equal installments, due July 1, 2024 and January 2, 2025.

**F. Invoicing Process**

1. UMB shall invoice UMMC (a) once for semi-monthly payments due to USM or UMB pursuant to this Agreement and (b) periodically, as provided in this Agreement, for other billable services and cost reimbursements, such as extra costs or fee for service costs. UMMC semi-monthly payments to UMB will be made by electronic funds transfer in accordance with instructions provided by UMB. Other payments from UMMC to UMB will be made by electronic funds transfer if feasible and if payment information is provided by UMB when required payments are invoiced. If UMMC is unable to issue payment via electronic funds transfer, payment shall be made by check to UMB as promptly as possible after the due date for the payment.

2. Payments due UMMS and/or UMMC from UMB shall be paid by the State of Maryland by check, using check mailing instructions provided by UMMS and/or UMMC, as applicable, or pursuant to the most current payment methodology as communicated by UMMS and/or UMMC, subject to State law, regulation or policy permitting use of that means of payment.

3. If the due date for any payment is a date when the payee's offices are closed, the payment shall be made on the next day that both parties' offices are open.

4. Late Fees. If any payment due UMB from UMMC pursuant to this Agreement is not transferred to or delivered to UMB within one week of its due date, the amount due will accrue interest at the rate of six percent (6%) per annum from the date the payment was due until the date it was received by UMB. If any payment due to UMMC from UMB pursuant to this Agreement is not transferred to or delivered to UMMC within one week of its due date, the amount due will accrue interest at the rate of six percent (6%) per annum from the date the payment was due until the date it was received by UMMC. Charges for late payment of invoices are subject to Title 15, Subtitle 1 of the State Finance and Procurement Article of the Annotated Code of Maryland.

**G. Agreement Term.** The term of this Agreement is July 1, 2024 through June 30, 2025. If USM and UMMS do not enter into an Annual Contract for the following fiscal year, this Agreement shall remain in force until another annual contract is approved, which could occur after the following fiscal year has begun. Seed support payable pursuant to *Schedule 2B* shall only continue for the defined period of time as provided in Section IV.A.2.

**H. Amendments to this Agreement.** Proposed amendments to this Agreement, including amendments of the Exhibits and Schedules, must be stated in writing, and must be considered and recommended to the Board of Directors and the Board of Regents in the same manner that this Agreement was considered and recommended unless the two boards specify a different procedure. Approved amendments must be set forth in a writing signed by the parties.

**I. Changes Without Amendment.**

Without following the amendment procedures in Section X.H., the President and the UMMC-CEO, or their designees, may agree to the changes summarized below via a written and signed agreement.

1. **Changes to Administrative Services and Faculty Services.**

(a) Less than 25% Change to Service Volume. Increase or decrease the services provided to UMMS, UMMC or Midtown by UMB, provided that any such change in administrative or faculty services provided by a UMB administrative unit or School will not result in a cumulative increase or decrease of more than twenty-five percent (25%) in the total agreed cost of services provided by that UMB administrative unit or School, as shown on *Schedule 1, 2A, 2B, 2C, 3 or 4;*

(b) Increase of Costs to Reflect Increase of Salary/Benefits. Increase costs to be reimbursed to reflect any mutually agreed to increase in salaries, fringe benefit costs, and other personnel costs associated with services provided by that party to the other party;

(c) Shifting of Costs Related to Relocated/Expanded Service to Midtown. Shift between **Schedule 2A** and **Schedule 2C** if UMMC clinical services are relocated to or expanded to Midtown, or vice versa.

2. **Changes to Space Use.** Increase or decrease the space of one party used by the other party, if such change will not result in a cumulative increase or decrease of more than ten percent (10%) in the compensation paid to UMMS as shown on **Schedule 5**.

3. **Changes in SOM Faculty Compensation.** Changes described in Section IV.A.5.

4. Any actions pursuant to this Section X.I shall be effective as of the date agreed by the authorized approvers and payments thereafter shall be adjusted appropriately. With respect to changes to administrative services, the President and the UMMC-CEO may delegate authority to approve such changes to appropriate officers who report to them.

**J. Access to Books and Records.** Unless UMB is instructed to the contrary by UMMC, UMB shall make such of its records as are necessary to verify the nature and extent of the costs of services provided to UMMC and Midtown available to the Secretary of the United States Department of Health and Human Services, the United States Comptroller General, and their duly authorized representatives to the extent required by law for a period of four years after services were provided. Similar access to records and contracts between UMB and organizations related to UMB or under contract to UMB also shall be made available, to the extent required by law.

**K. UMB Fringe Benefit Rates and Adjustments.**

1. The compensation from UMMC to UMB for faculty, staff, and resident services (see **Schedules 2A, 2B, 2C, 3, and 4**) includes a charge for fringe benefits at a standard fringe benefit rate set by UMB (subject to approval of the United States Government) for use in UMB grants and contracts.

(a) For UMMC funding to support salary and fringe benefit costs of UMB faculty and staff employees with responsibilities to UMMC and/or Midtown, as described in **Schedules 2A, 2B, 2C, and 3**, Section VI.C.2., and Section X.C.3, the standard UMB fringe benefit rate for the relevant category of personnel will be used.

(b) For the Fiscal Year, the rates are **28.5%** for faculty, **39.0%** for exempt staff, and **19.1%** for residents.

(c) Fringe benefit changes during the Fiscal Year will be applied as of their effective date, and UMMC will be notified by the Dean's Office or UMB Financial Services of revised rates and adjustments to required semi-monthly payments.

2. To aid in the implementation of the standard fringe benefit rate, UMB will reduce the total annual payment required from UMMC under **Schedules 2A, 2B, and 2C** by the

sum of **\$4,778,533.00**, which has been agreed to by UMB and UMMC. This adjustment will be applied *pro rata* against the payments referred to in Section X.C.2.

(a) This adjustment will not be increased if the total of *Schedules 2A, 2B, and 2C*, or the total of any one of them, is increased by the parties' agreement.

(b) Consistent with federal requirements pertaining to use of standard fringe benefit rates, UMB will not use or apply federal funds to reduce the payment due from UMMC as described in this Section X.K.

**L. Assertion of Defenses on Behalf of UMB.**

1. No provision of this Agreement requiring UMMS or UMMC to defend, indemnify, and hold harmless the State, UMB, USM, or their personnel, is intended to waive the defenses of sovereign immunity, limited immunity, or any other immunity, or to waive any other defense available to any claim or action being defended by UMMS pursuant to this Agreement. UMMS or UMMC may assert on behalf of USM or UMB all defenses that might be asserted by the Office of the Attorney General in opposition to such claims or actions. The Office of the Attorney General shall be consulted by UMMS regarding use of immunity defense.

2. No provision of this Agreement requiring UMMS or UMMC to defend, indemnify and hold harmless the State, UMB, USM, or their personnel is intended to limit, waive, or release UMMS's or UMMC's right or ability to sue or otherwise pursue any claim, lawsuit, loss, damage, or liability against any State, UMB or USM personnel resulting from such personnel's criminal conduct, gross negligence or malice outside the scope of public duties, including, but not limited to, embezzlement or other improper or illegal diversion of funds. UMMS or UMMC will advise the President, UMB, and the Office of the Attorney General before initiating any such action.

**M. Regulatory Compliance.**

UMMC and UMB are not a single affiliated covered entity for purposes of the Health Insurance Portability and Accountability Act of 1976 ("**HIPAA**" - Public Law Number 104-191). Further, as a general matter, each party shall comply with all applicable federal, state, and local laws in performing their respective obligations thereunder, including but not limited to the federal and state laws addressing anti-kickback, self-referral, fraud, waste, and whistleblower protections for those reporting violations of such laws.

*[END OF ARTICLE X]*

## **ARTICLE XI. SUBSIDIARIES**

UMB approves the establishment of non-profit or for-profit subsidiaries or entities related to UMMS subject to the conditions set forth in this Article XI. “**Subsidiary**” as used in this Article XI refers to a subsidiary or related entity, as defined in Section A of this Article XI.

### **A. Definitions**

1. “**Subsidiary**” means a stock corporation if a majority of any class of its voting stock is owned by UMMS, another subsidiary, or a related entity.

2. “**Related entity**” means any non-stock entity if the corporation owns a controlling interest in the entity or controls election or appointment of a majority of the entity’s governing board.

### **B. Conditions Applicable to All Subsidiaries**

1. The Board of Directors of UMMS may establish or acquire subsidiaries. Unless otherwise specifically provided by action of the Board of Regents, State law, or other provisions of this Agreement, the following conditions shall be observed with respect to each subsidiary.

2. No land or buildings transferred at any time to UMMS by the State or UMB shall be transferred to a subsidiary without prior approval of the Board of Regents.

3. If the President concludes at any time that the purpose of any subsidiary includes an activity affecting the educational or research activities of any professional school at the UMB, with input from the UMMC-CEO, the President may name one of the members of the board of directors of the subsidiary.

4. UMMS will require the subsidiary to indemnify any director named by the President to the fullest extent permitted by Maryland law and shall maintain commercial directors’ and officers’ liability insurance or other adequate insurance to protect the director from financial risk or loss. The director named by the President shall in no event be protected less fully than any other director of the subsidiary.

5. UMMS shall defend, indemnify, and hold harmless UMB, the Board of Regents, and the officers and employees of UMB with respect to any claims, demands, actions or suits asserted against UMB relating to activities of a subsidiary. In the course of providing defense hereunder, UMMS may raise defenses of sovereign immunity and other immunities available to UMB to the extent provided by Maryland law and will consult with the Attorney General’s Office as appropriate. It is the intention of the parties that no defense available to UMB, the Board of Regents or officers or employees of UMB shall be waived or limited as a result of UMMS’s

agreement to defend and indemnify UMB, the Board of Regents, and officers and employees of UMB.

6. Annually, in connection with preparation of the Annual Contract, UMMS shall report to UMB the names and functions of all extant subsidiaries. If the Board of Regents determines that the Annual Contract should not grant continued approval for the operation of any subsidiary, UMMS will terminate the subsidiary status of the entity in question. A term of one year shall be allowed for this action.

**C. Existing Subsidiaries and Special Provisions**

1. The subsidiaries of UMMS as of June 30, 2024 are listed in *Schedule 7*.

2. The Dean-M is required to be an *ex officio* voting member of the board of directors of the James Lawrence Kernan Hospital, Inc. (d/b/a University of Maryland Rehabilitation & Orthopaedic Institute) (“UMROI”), and Section XI.B.2 is not applicable to that hospital.

3. Midtown, which is a subsidiary, is subject to the provisions concerning it that are included in this Agreement.

4. USM and UMB previously approved the establishment of the UMMC LLC as a subsidiary of UMMS, as provided by State law, provided that the President and the Dean-M are non-voting members of the UMMC LLC board.

*[END OF ARTICLE XI]*

## **ARTICLE XII. OTHER AGREEMENTS**

**A.** This Agreement, as mandated by Section 13-306 of the Education Article, must include all financial obligations between the parties. From time to time, the parties may enter into other arrangements and in doing so shall document such in a written document signed by their respective. authorized representatives. Via this Article XII, those arrangements are incorporated by reference in accordance with the intent of the Medical System Law.

**B.** UMMS, the UMMC LLC and UMB have entered into a Mission Support Agreement (“MSA”) which will be effective during the Fiscal Year. The MSA is attached as *Schedule 8* to this Agreement. *Schedule 8* states an agreed lump sum payment to the School of Medicine due in October of the Fiscal Year, pursuant to the terms of the MSA.

*[END OF ARTICLE XII]*

IN WITNESS WHEREOF, the parties, by their authorized officers, execute this Agreement.

**UNIVERSITY SYSTEM OF MARYLAND**  
*by University of Maryland, Baltimore*

By: \_\_\_\_\_  
Bruce E. Jarrell, MD, FACS  
President  
University of Maryland, Baltimore

\_\_\_\_\_  
*Date*

**UNIVERSITY OF MARYLAND  
MEDICAL SYSTEM CORPORATION**

By: \_\_\_\_\_  
Mohan Suntha, MD, MBA  
President and Chief Executive Officer  
University of Maryland Medical System Corporation

\_\_\_\_\_  
*Date*

**UNIVERSITY OF MARYLAND  
MEDICAL CENTER, LLC**

By: \_\_\_\_\_  
Bert W. O'Malley, MD  
President and Chief Executive Officer  
University of Maryland Medical Center LLC

\_\_\_\_\_  
*Date*



**SCHEDULE 1 - FY 2025**  
**PAYMENT TO UMB FOR ADMINISTRATIVE SERVICES**

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**Administrative Services**  
*(Exhibit B)*

Facilities Management (Operations and Maintenance)	\$ 20,999
UMBPD	\$1,511,177
Subtotal	<u>\$1,532,176</u>

<b>Environmental Health and Safety</b> <i>(Exhibit C)</i>	\$ 759,974
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<b>TOTAL</b>	<b><u>\$ 2,292,150</u></b>
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<b>SCHEDULE 2A - FY 2025</b>		
<b>SCHOOL OF MEDICINE FACULTY SERVICES</b>		
<b>BASE PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER</b>		
	<b>Department</b>	<b>Base Amount</b>
	Anesthesiology	\$ 14,876,459
	Critical Care	2,660,485
	Dermatology	200,928
	Diagnostic Radiology	6,316,550
	Emergency Room	4,542,031
	Family Medicine	460,580
	Infection Control / Epidemiology	347,877
	Medicine	6,886,079
	Neurology	1,501,443
	Neurosurgery	1,622,395
	OB/Gyn	5,923,585
	Oncology	2,342,171
	Ophthalmology	457,629
	Orthopaedics	2,812,792
	Otorhinolaryngology	1,160,675
	Pathology	3,284,696
	Pediatrics	7,562,494
	Psychiatry	6,526,392
	Radiation Oncology	2,312,431
	Shock Trauma	10,652,560
	Surgery	8,693,453
	<b>Total Salary</b>	<b>91,143,706</b>
	Fringe Benefits Estimated at 28.50%	25,975,956
	<b>Total Salary plus Fringes</b>	<b>\$117,119,662</b>

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2024. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.

**SCHEDULE 2B - FY 2025**  
**SCHOOL OF MEDICINE FACULTY SERVICES**  
**SEED PAYMENTS FROM UNIVERSITY OF MD MEDICAL CENTER**

Department	FY2025	FY2026	FY2027	FY2028	FY2029
Anesthesiology	\$ -	\$ -	\$ -	\$ -	\$ -
Critical Care	963,339	915,172	869,413	825,943	784,646
Dermatology	42,608	40,478	38,454	36,531	34,704
Diagnostic Radiology	-	-	-	-	-
Emergency Room	-	-	-	-	-
Family Medicine	-	-	-	-	-
Infection Control / Epidemiology	-	-	-	-	-
Medicine	11,617,711	11,036,825	10,484,984	9,960,735	9,462,698
Neurology	891,335	846,768	804,430	764,208	725,998
Neurosurgery	3,619,214	3,438,253	3,266,341	3,103,024	2,947,872
Ob/Gyn	779,917	740,921	703,875	668,681	635,247
Oncology	479,536	455,559	432,781	411,142	390,585
Ophthalmology	-	-	-	-	-
Orthopaedics	1,890,835	1,796,293	1,706,479	1,621,155	1,540,097
Otorhinolaryngology	996,399	946,579	899,250	854,288	811,573
Pathology	-	-	-	-	-
Pediatrics	3,294,630	3,129,899	2,973,404	2,824,733	2,683,497
Psychiatry	-	-	-	-	-
Radiation Oncology	-	-	-	-	-
Shock Trauma	-	-	-	-	-
Surgery	6,463,907	6,140,712	5,833,676	5,541,992	5,264,893
Total Salary	\$ 31,039,431	\$ 29,487,459	\$ 28,013,086	\$ 26,612,432	\$ 25,281,811
Fringe Benefits Estimated at 28.50%	8,846,238	8,403,926	7,983,730	7,584,543	7,205,316
Subtotal Salary plus Fringes	\$ 39,885,669	\$ 37,891,385	\$ 35,996,816	\$ 34,196,975	\$ 32,487,127
Total Salary plus Fringe- After Seed Reduction	\$ 39,885,669	\$ 37,891,385	\$ 35,996,816	\$ 34,196,975	\$ 32,487,127

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2024. Projected cost also includes a \$2.0 million PSC reduction to be directly reallocated by the Medical School/UMMC to the Strategic Initiative Prioritization Committee (SIPC) for joint-decision utilization with FPL. The projected cost amounts will be amended during the year based on the recruitment of new budgeted and approved positions occur as provided for in the annual contract.

**SCHEDULE 2C - FY 2025**  
**SCHOOL OF MEDICINE FACULTY SERVICES**  
**BASE PAYMENTS FROM UNIVERSITY OF MD, MIDTOWN**

Department	PSC: Total Base Support
Anesthesiology	\$ 1,567,263
Critical Care	680,189
Dermatology	-
Diagnostic Radiology	915,128
Emergency Room	3,471,897
Family Medicine	-
Infection Control / Epidemiology	43,384
Medicine	10,585,502
Neurology	449,774
Neurosurgery	-
OB/Gyn	375,000
Oncology	-
Ophthalmology	1,406,830
Orthopaedics	1,108,143
Otorhinolaryngology	259,446
Pathology	309,718
Pediatrics	22,458
Psychiatry	2,588,230
Radiation Oncology	-
Shock Trauma	-
Surgery	459,377
Total Salary	24,242,340
Fringe Benefits Estimated at 28.50%	6,909,067
Total Salary plus Fringes	\$ 31,151,407

Projected cost excludes new budgeted positions not yet recruited/filled as of May 2024. The projected cost amount will be amended during the year as the recruitment of new budgeted positions occur as provided for in the annual contract.

**SCHEDULE 3 - FY 2025**  
**PAYMENTS FROM UMMC TO SCHOOL OF PHARMACY**

	<b>Payment</b>
Faculty	\$ 364,079
Staff	\$ 598,357
Residents	\$ 107,100
Fringe Benefits @ 28.5% (faculty), 39.0% (staff), 19.1% (residents)	\$ 357,578
<b>Subtotal</b>	<b>\$ 1,427,114</b>
Operative Expense- General Operating Residents	\$ 3,000
<b>TOTAL</b>	<b>\$ 1,430,114</b>

\*Residency compliment in FY2025 will be lower due to match; FY26 will reinstate full compliment

**SCHEDULE 4 - FY 2025**  
**DENTAL SCHOOL FACULTY SERVICES PAYMENTS FROM UMMC**

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	<b>Payment</b>
Dental School - UMMS	\$ 537,135
Fringe Benefits @ 28.5%	\$ 153,083
<b>SUBTOTAL- Faculty</b>	<b>\$ 690,218</b>
Administrative Staff- Dental School	\$ 56,980
Fringe Benefits @ 39.1%	\$ 22,279
<b>SUBTOTAL- Administrative Support</b>	<b>\$ 79,259</b>
<b>TOTAL</b>	<b>\$ 769,477</b>

**SCHEDULE 5 - FY 2025**  
**COMPENSATION FOR SPACE USAGE**  
**WITHIN OTHER PARTY'S FACILITIES**

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Owed by UMB to UMMC	\$1,806,420
Owed by UMMC to UMB	<u>- \$64,230</u>
<b>Net Owed by UMB to UMMC</b>	<b>\$1,742,190</b>

**SCHEDULE 6 - FY 2025**  
**COMPENSATION FOR EMPLOYEE HEALTH SERVICES**

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Owed to UMMC by UMB:           \$ 65,000



## SCHEDULE 7 - FY 2025

### UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION SUBSIDIARIES

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1. 36 S. Paca Street, LLC
2. CMROC, LLC
3. Dimensions Assurance Limited
4. Dimensions Health Corporation
5. James Lawrence Kernan Hospital, Inc.
6. MD Medicine Comprehensive Ins. Program
7. Mt Washington Pediatric Hospital, Inc.
8. Terrapin Insurance Company
9. UM Capital Region Health, Inc.
10. UMMC I, LLC
11. UMRMC I, Inc.
12. UMRMC, LLC
13. UMSJ Health System, LLC
14. University of Maryland Baltimore Washington Medical System, Inc.
15. University of Maryland Care Transformation Organization, LLC
16. University of Maryland Charles Regional Health, Inc.
17. University of Maryland Ecare, LLC
18. University of Maryland Health Ventures, LLC
19. University of Maryland Medical Center, LLC
20. University of Maryland Midtown Health, Inc.
21. University of Maryland Quality Care Network, LLC
22. University of Maryland Shore Regional Health, Inc.
23. University of Maryland Upper Chesapeake Health System, Inc.
24. UniversityCare, LLC
25. UMMS Ambulatory Care, LLC
26. University of Maryland Medical Regional Supplier Services, LLC
27. University of Maryland Medical System Foundation, Inc.

**SCHEDULE 8 - FY 2025**  
**MISSION SUPPORT AGREEMENT**

**TARGET AREAS FOR MISSION SUPPORT PAYMENT TO BE SPENT IN FY 2025\***

Target Area	Projected Funds Required	Specific Use of Funds
Cancer Center Programming	\$5,000,000	Scientific Cancer Center member recruitments (14 open positions currently); total target is 40.
Orthopaedics	\$1,000,000	Recruitment packages for 5 clinician/basic science investigators
Ophthalmology	\$1,000,000	Research/Equipment in for Ocular Biomarkers; Congenital glaucoma research; investigative equipment supporting retina and corneal imaging
Institute Clinical Translational Research (ICTR)	\$500,000	Support for pilot grants related to the new 7-year CTSA award. Prior UMMC commitment not funded from MSA.
Medicine (Divisions)	\$2,510,000	Hold for future investment in Division Leadership in the Department of Medicine

\*This schedule is to be updated each Fiscal Year based upon the approved Target Areas and Mission Support Payment available for such Fiscal Year. This schedule will also reflect any Target Area reallocations related to previously approved Mission Support Payments. This schedule reflects Mission Support Payments to be paid during FY 2025.

## EXHIBIT A - FY 2025

### UMMS PRE-CLINICAL EDUCATION REQUIREMENTS

*(applicable to UMMC, UMROI, and Midtown (collectively, "Affiliated Sites"))*

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#### I. Education

- a. Universal Blood/Body Fluid Precautions & Infection Control (OSHA)
- b. Prevention of Hepatitis B Virus Infection (OSHA)
- c. Handling of Contaminated Needles and other Sharps (OSHA)
- d. Management of Blood Spills (OSHA)
- e. Procedures of Reporting and Management of Occupational Exposure to Blood/Body Fluids/Tissue (OSHA)
- f. Fire Safety (OSHA)
- g. Hazardous Materials (OSHA)
- h. Health Insurance Portability and Accountability Act (HIPAA)

#### II. Health Insurance

Students must have health insurance satisfying UMB requirements. The health care sites will provide first aid for minor illnesses or injuries, at expense of students, or students may seek first aid from the UMB Student Health office.

#### III. Immunizations/Evidence of Immunity/Other Health Information

- a. Measles/Mumps/Rubella
- b. HBV vaccination series and antibody titer result, if not immune also require certificate of declination
- c. Varicella
- d. Negative PPD or TB blood test for Tuberculosis, or other medical evidence acceptable to the health care site if PPD is not negative
- e. COVID-19 Primary Series (and boosters if available)

#### IV. Documentation

UMB shall maintain documentation that students assigned to Affiliated Sites have satisfied the above requirements and provide a copy of the documentation to the Affiliated Site upon request.

**EXHIBIT B - FY 2025**  
**SERVICES PROVIDED BY UMB TO UMMC**

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**I. FACILITIES MANAGEMENT (OPERATIONS AND MAINTENANCE):**

- a. Trash pickup along the south side of Baltimore Street from Arch Street to Greene Street. This includes sweeping and picking up litter. Emptying trash cans is not included.
- b. Using plows or snow blowers, but not by hand shoveling, to open the following areas to vehicular traffic:
  - 1. Ambulance bays along the east side of Penn Street between Lombard and Redwood Streets; and
  - 2. Loading dock facilities at the rear of UMMC adjoining Arch and Redwood Streets south of Baltimore Street.
- c. In the case of extraordinary snow events (generally six inches and above) UMB will bring in outside snow removal contractors and/or call in UMB staff on overtime.
- d. Also, in the case of an extraordinary event, UMB, subject to availability of personnel and equipment of UMB and/or its contractors, will assist UMMC upon its request in opening and maintaining sidewalks adjoining UMMC.
- e. UMMC will reimburse UMB, per event, for an appropriate share of the cost of contractors and/or overtime if UMMC requires services of such contractors and/or additional staffing. UMMC and UMB will determine a cost sharing formula based on the size of the cleared ambulance bays, dock areas, roadways and walks adjacent to UMMC as compared to the size of the total cleared area at UMB.
- f. UMMC acknowledges that UMB will not issue purchase orders for maintenance or other tasks in UMMC, Midtown, or any space that is not owned or controlled by UMB.
- g. UMMC acknowledges that UMB will not have any obligation to provide space or services for first responders or other people when a first responder is admitted as a patient in the Shock Trauma Center.

**II. MAIL SERVICES:**

UMB will perform delivery and pick up of mail to and from the UMMC central mailroom.

### III. UMB PUBLIC SAFETY SERVICES:

#### A. Police Services.

1. UMB will provide supplemental UMB Police Department services for UMMC, supporting the UMMC Security Operations. The UMB Chief of Police or designee and the UMMC Chief Operating Officer, or designee, will agree upon protocols for (a) notice to UMMC of security/safety incidents that may impact or concern UMMC; (b) police services being provided in a manner compliant with regulatory requirements applicable to UMMC, including The Joint Commission's standards; and (c) compliance with requirements of the federal Clery Act applicable to UMB that include emergency reporting rules, criminal activity data reporting, and annual reporting for an area including UMB, UMMC Complex and some adjacent properties that are owned or leased by UMMC or UMMS or other UMB, UMMS and UMMC affiliates.

2. UMB shall provide one uniformed police officer, 24 hours a day, 7 days per week, integrated into the campus patrol, and one uniformed police officer, 24 hours a day, 7 days per week, posted at the UMMC Emergency Department ("**Emergency Department Officer**").

3. The duties and responsibilities of the police officer integrated into the campus patrol will include but will not be limited to serving to protect the safety and security of UMMC staff, patients and visitors, in part by patrolling the sidewalks bordering University Plaza and the sidewalks along commercial corridors east of the campus (e.g., 400 block of West Baltimore Street) and UMB campus walkways and UMB parking garages used by UMMC staff, patients, and visitors. Upon reopening of Lexington Market, patrols will include Paca Street, between UMMC and Lexington Market.

a. "**UMB Campus**" means all UMB-owned buildings, garages, parks, and other grounds on the east side of Martin Luther King Jr. Blvd. between Washington Blvd. and Saratoga Streets.

b. "**UMMC Complex**" means UMMC buildings (to include the R Adams Cowley Shock Trauma Center), UMMS owned or controlled parking lots and garages, the Paca/Pratt Building, and any other buildings on the UMB Campus owned, leased, or managed by UMMC or UMMS.

4. With respect to the Emergency Department Officer's obligations in the UMMC Emergency Department, the UMMC Emergency Department includes the waiting areas and treatment areas of the Adult Emergency Department (AED) and the Pediatric Emergency Department (PED). The Emergency Department Officer will be assigned to a stationary fixed post in the UMMC Emergency Department. The Emergency Department Officer will be assisted on an as-needed basis, as the Emergency Department Officer or the supervisor of that officer determines necessary, by the uniformed police officer integrated into the campus patrol.

5. The duties of the Emergency Department Officer will include but are not limited to:

a. Promptly responding to all calls from UMMC for assistance in or around the immediate area of the Emergency Department, including the immediate exterior of the

Emergency Department building as necessary, to mitigate or deescalate the situation requiring the officer's involvement.

b. Maintaining order in the Emergency Department and assisting and backing up UMMC Security on incidents which occur in or around the immediate area of the Emergency Department.

c. Attending weekly and/or monthly meetings with UMMC Security to discuss issues and trends and to share intelligence and statistics. Attendance is not required on days and times the officer is off duty.

d. Assisting staff of the Emergency Department to file statements of charges with law enforcement if the staff are victims of threats, acts of violence, etc.

e. Enforcing all applicable laws through exercise of lawful police authority, including the authority to make arrests when appropriate.

f. Performing all police related duties, or other duties specified by the Police supervisor, and acting at all times in the best interests of the University and UMMC.

g. Upon request of UMMC Security, providing assistance when problems arise in controlling the ingress and egress of UMMC personnel at the Emergency Department and Shock Trauma entrances of UMMC.

h. Directing visitors to Emergency Department registration clerks. Assisting UMMC staff upon request in the event of issues or problems related to visitors.

i. Providing assistance to UMMC medical and psychiatric personnel in handling patients when so requested. Assisting UMMC Security to render weapons safe prior to UMMC Security handing the weapons over to the Baltimore City Police Department.

j. Remaining in the Emergency Department and surrounding areas, except in the event of responding to a Police Department supervisor's order to assist UMMC security and/or the Baltimore City Police in responding to an incident of the following nature: special incidents such as bomb threats, fires, combative or psychotic patients, and suicide attempts. The Baltimore City Police are expected to be the primary responding law enforcement unit for most special incidents. The UMB Police Department and the Baltimore City Police will coordinate responses in accordance with any protocols developed by the Baltimore City Police, UMB Police Department, and UMMC security.

k. Advising the UMMC Security Shift Supervisor promptly of any incidents that occur within the Emergency Department that could potentially negatively impact UMMC.

6. UMMC shall provide space in the Emergency Department where the Emergency Department Officer can observe the entire waiting area for the AED. UMMC will equip such space with TV surveillance equipment for purposes of monitoring the Emergency Department By-Pass Corridor from the Security Desk.

7. The cost of salary and fringe benefits for both uniformed police officers assigned as discussed in this **Exhibit B** are included in **Schedule 1** to the Annual Contract and will be billed and paid as provided in the Annual Contract.

8. UMB will bill, and UMMC will pay, the costs of any equipment that must be purchased for the police officers assigned in the Emergency Department (such as uniform clothing and equipment, radio, and ballistic vest).

9. Any Personal Protective Equipment (including but not limited to N-95 masks) required to be used by the police officers posted to the Emergency Department will be provided by UMMC, and fit tests for provided masks will be the responsibility and expense of UMMC. Any additional Personal Protective Equipment required by UMB for the officers will be purchased by UMB and billed to UMMC. Personal Protective Equipment provided by UMMC to police officers will be consistent with equipment provided for UMMC personnel in the Emergency Department who are not routinely involved in patient care.

10. Annual equipment costs for each new Emergency Department police officer are estimated to be less than \$4,000. Personal Protective Equipment costs incurred by UMMC for the safety of the police officers cannot be estimated.

**B. Baltimore City Police Involvement.**

UMMC will seek the emergency or non-emergency services of the Baltimore City Police Department (“BCPD”) in the event UMMC determines Baltimore City police services are needed inside UMMC or UMMS buildings, or on UMMC or UMMS property, to back up the UMB police officer in the Emergency Department, or otherwise. The UMB Police will respond upon the request of the BCPD in emergency situations.

**C. Incident and Crime Reporting.**

1. The UMB Chief of Police or designee will advise the UMMC Director of Security of any incidents that occur on the UMB campus, of which the UMB Police Department is aware, that could negatively impact UMMC, its patients, staff, and visitors.

2. The UMMC Director of Security will coordinate the sharing of information to the UMB Chief of Police or designee about crimes that may pose a serious threat to the health or safety of the campus and near-campus communities to facilitate the issuance of Clery Act-required timely warnings and emergency notifications.

3. The Parties acknowledge that UMB need not obtain the approval to issue any warnings/notifications, nor is UMB required to seek preclearance of the content of any warning/notification. However, the Parties will create a system to inform each other about such warnings.

**D. Records.**

1. The UMB Police Department shall maintain records and issue reports to the UMMC Director of Security to include documentation of any:

- a. Overtime paid to police officers involved in UMMC related arrests;
- b. Court time for court appearances by police officers involved in UMMC related arrests; and

- c. Copies of police reports concerning UMMC related arrests.

2. The UMB Police Department shall also maintain records of services provided to the UMMC Complex upon request of the BCPD in response to emergency or non-emergency calls. A copy of the records shall be provided to UMMC on a quarterly basis. The records shall include:

- a. Number of calls to BCPD for support for emergency service, and number of calls for support for non-emergency service
- b. Nature of calls
- c. Number of arrests
- d. Number of persons arrested by sex and age
- e. Number of noncriminal calls
- f. Nature of assistance given
- g. Location of reported incidents
- h. Unit response time
- i. Amount of time spent handling calls for service

**E. Payment.**

1. Payment by UMMC for UMB Police Department services shall be in the amount, and payable upon the schedule, provided in the Annual Contract between UMB and UMMS. The payment compensates UMB for the services of two police officers, 24 hours per day, 7 days per week, and associated supervisory and administrative costs. This payment will cover the cost of salaries and fringe benefits of the officers required to staff two positions on a 24/7 basis.

2. On a fee for service basis, total cost not to exceed \$5,000 per year without the prior authorization of the UMMC Director of Security, the UMB Police Department will charge UMMC for services described in Section D.1 and D.2 above.

a. Bills for court time will be supported by documentation of the case, the subpoena issued to any UMB police officer whose court time is being charged, and a court clerk sign off evidencing the officer's attendance in response to a subpoena.

b. Court time or overtime will be billed at UMB's cost, taking into account shift differentials as applicable.

c. The UMB Police Department will supply the UMMC Director of Security with detailed support documentation for any fee for service activity.

**F. Civil Action Representation.**

Unless otherwise provided by any section of the Annual Contract or the laws of Maryland applicable to UMMC or UMMS:



1. The Attorney General of Maryland, or a member of the Attorney General's office, or counsel designated by the Attorney General, shall appear in a civil action against a UMB police officer or UMB security officer to represent the officer, subject to the determination of the Attorney General that the officer is eligible for State representation as provided in the State Government Article, Sections 12-304 to 12-310; and

2. The State of Maryland shall provide adequate funds for the satisfaction of any monetary award that has been rendered against a UMB police officer or UMB security officer in connection with a claim related to the officer's duties, subject to the requirements of the State Government Article, Sections 12-401 to 12-406.

**EXHIBIT C – FY 2025**  
**ENVIRONMENTAL HEALTH AND SAFETY SERVICES**

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Pursuant to the terms of the Annual Contract, UMB’s Office of Environmental Health and Safety (“**EHS**”) provides services to UMMC in two major program areas:

(1) Radiation Safety Services, which are provided under UMB’s Broad Scope License (#07-014-01-MD) (the “**UMB Broad Scope License**”); and

(2) hazardous chemical waste management program support.

Such services include the following:

1. **Radiation Safety Officer (“RSO”).**
  - a. UMB shall provide UMMC with the services of a qualified RSO, as designated on the UMB Broad Scope License and approved by the Maryland Department of the Environment (“**MDE**”).
  - b. The RSO is responsible for the implementation, monitoring, and maintenance of the radiation safety program at UMMC.
  
2. **UMB Broad Scope License.**
  - a. UMMC acknowledges that the UMB Broad Scope License was issued to UMB, and that UMB is providing Radiation Safety Services to UMMC pursuant to the UMB Broad Scope License.
  - b. Regulatory and operational compliance with the MDE’s UMB Broad Scope License requirements are the joint responsibility of both UMB and UMMC.
  - c. As part of this responsibility, UMB shall without limitation:
    - i. Coordinate and participate in the biannual MDE radioactive materials inspection at UMMC;
    - ii. Conduct all other required radiation safety program inspections;
    - iii. Perform an annual audit of the radiation safety program at UMMC;
    - iv. Provide support for Centers for Medicare and Medicaid Services (“**CMS**”) and Joint Commission inspections as needed;
    - v. Coordinate license amendments for new procedures; and
    - vi. Maintain:
      - (1) Authorized User status for Residents and Fellows;
      - (2) Authorized Medical Physicist status for Medical Physicists; and
      - (3) Authorized Nuclear Pharmacists status for Nuclear Pharmacists.

- d. As part of this responsibility, UMMC shall without limitation:
  - i. Ensure that applicable radiation safety requirements are followed to ensure patient safety and be responsible for patient safety; and
  - ii. Deliver radiation safety communications to hospital staff. As appropriate, communications will be signed by appropriate UMMC leadership.

3. **Radiation Safety Committee.**

- a. UMB shall oversee and administer a Radiation Safety Committee (“**RSC**”) that oversees and is responsible for the radiation safety services provided to UMMC. The RSC shall include physicians, UMMC administration representatives, ancillary personnel, and members of each Authorized User group specified above.
- b. As part of this obligation, UMB shall, without limitation:
  - i. Facilitate quarterly committee meetings, including the RSC and Human Use Subcommittee (“**HUSC**”)
  - ii. Support Radioactive Drug Research Committee (“**RDRC**”) meetings;
  - iii. Develop, coordinate, distribute, and edit meeting minutes along with applicable follow-up;
  - iv. Develop and distribute quarterly and annual reports;
  - v. Conduct procedure and policy reviews and generate a report of their findings and recommendations; and
  - vi. Provide necessary radiation safety compliance and safety support.

4. **Radiation Exposure Monitoring.**

*UMB Responsibilities.* UMB shall maintain a Radiation Exposure Monitoring Program for personnel who work under the UMB Broad Scope License at UMMC, or who otherwise work with radiation producing machines. As part of this obligation, UMB shall without limitation:

- a. Distribute, collect, and process dosimeters assigned to approved persons working at UMMC or approved locations within UMMC in accordance with the regulatory requirements outlined in COMAR 26.12.01.01, Sections D.201, D.202, D. 208, D.502 and D.1107.
  - i. UMB will invoice UMMC, on a quarterly basis, for the necessary costs associated with dosimeters and their analysis by a National Voluntary Laboratory Accreditation Program (“**NVLAP**”) accredited vendor.
  - ii. UMMC shall not be responsible for the costs of dosimeters worn by non-UMMC employees within locations outside of UMMC, such as faculty practice plan locations.
- b. Review exposure reports of employees. For employees who exceed exposure thresholds as set by the RSC, and as indicated by those reviews in accordance with

mutually agreed to protocols or policies, investigate any circumstances surrounding the unusual or overexposure of dosimeters and complete a report within a reasonable period, unless a shorter time is required by law.

- c. Provide exposure summaries to other institutions upon receipt of an approved release form (in accordance with COMAR 26.12.01.01 Section D.205) for former UMMC Personnel that were previously enrolled in the dosimetry program.
- d. Request and review prior employment exposure history for new UMMC Personnel enrolled in the UMB exposure control program, in accordance with COMAR 26.12.01.01 Section D.205.
- e. Evaluate potential exposure for declared pregnant workers by reviewing their exposure history. Based on the result of this review, communicate with the employee, the employee's supervisor, and UMMC management about recommendations for possible changes to assigned duties.
- f. When determined to be necessary, use various bioassay methods to determine internal deposition of radioactive materials and resultant dose from absorption, ingestion, injection, or inhalation as a result of spills, accidental releases, or through certain therapeutic administrations of radioactive materials.
- g. Provide monitoring in areas that have the potential to reach or exceed dose limitations as outlined in COMAR 26.12.01.01 Section D.301.
- h. Track individual, group, and overall exposure trends as determined to be necessary by UMB EHS.
- i. Administer the As-Low-As-Reasonably-Achievable ("ALARA") exposure reduction program as required by COMAR 26.12.01.01 Part D.
- j. Provide monthly updates to UMMC on the number of ALARA events that have occurred.
- k. Conduct annual ALARA program reviews; ensure that the program is properly implemented in accordance with the Radiation Safety Manual and other agreed upon policies and procedures; and generate a report of its findings and recommendations.

UMMC Responsibilities. UMMC shall be responsible to do the following, in collaboration with and with the support of the UMB EHS Radiation Safety team:

- a. Provide the required information technology and physical infrastructure necessary to implement the radiation safety program to include, but not limited to Wireless Access Points throughout the hospital complex.
- b. Appoint UMMC staff members as dosimetry coordinators who shall:
  - i. Distribute monthly or quarterly dosimetry badges to radiation workers within UMMC in a timely manner.

- ii. Ensure all previously distributed monthly and quarterly dosimetry badges are collected from radiation workers and are prepared for retrieval by UMB EHS Radiation Safety Team.
- iii. Ensure all new radiation workers complete the Worker Registration Form prior to working with radiation producing machines or radioactive materials, and ensure that a copy of the form is provided to the UMB EHS Radiation Safety Team.
- iv. Promptly inform the UMB EHS Radiation Safety Team of radiation worker termination if worker no longer requires dosimetry monitoring.
- v. Promptly inform the UMB EHS Radiation Safety Team in the event of a radiation worker's lost or damaged dosimetry badge.
- vi. Ensure pregnant radiation workers either:
  - (1) Complete the Pregnant Worker Declaration form, and ensure that the form is promptly provided to the UMB EHS Radiation Safety Team, or
  - (2) Ensure the radiation worker promptly contacts the UMB EHS Radiation Safety Team for guidance.
- vii. Fulfill the role as liaison between radiation worker and the UMB EHS Radiation Safety Team.
- viii. Assist the UMB EHS Radiation Safety Team with non-returned badge compliance.
- ix. Assist the UMB EHS Radiation Safety Team with read compliance for the "Instadose" badges.
- x. Assist the UMB EHS Radiation Safety Team with worker response and compliance for ALARA notifications/investigations.

**5. Radioactive Materials Receipt and Inventory Control.**

UMB shall maintain a Radioactive Materials Receipt and Inventory Control program covered under the UMB Broad Scope License in accordance with the license conditions and COMAR 26.12.01.01 Part A.4(c).

**6. Shipping of Radioactive Materials.**

UMB shall provide packaging and transportation preparation assistance for off-site shipments in accordance with state and federal regulations for radioactive materials that were obtained under the UMB Broad Scope License.

**7. Therapeutic Procedures.**

- a. UMB shall provide health physics radiation safety services for therapeutic procedures performed at UMMC using radioactive materials. Services include facility preparation, procedure monitoring, post-treatment contamination evaluation, site decontamination, and disposal of contaminated materials.

- b. UMB is responsible for facility preparation and site decontamination within UMMC facilities. This applies to the following therapeutic procedures:
  - i. *Iodine – 131 Ablation procedures.* The support described above will be provided for up to 5 procedures in the contract period. Support for procedures in excess of 5 will be billed to UMMC at the rate of **\$1,000 per procedure.**
  - ii. *Yttrium - 90 Sirsphere and Therasphere procedures.* The support described above will be provided for up to 60 procedures in the contract period. Support for procedures in excess of 60 will be billed to UMMC at the rate of **\$350 per procedure.**
  - iii. *Gliasite procedures.* The support described above will be provided for up to 2 procedures in the contract period. Support for procedures in excess of 2 will be billed to UMMC at the rate of **\$350 per procedure.**
  - iv. *Lu-177 Prostate Cancer Treatment.* The support described above will be provided and billed to UMMC at the rate of **\$750 per procedure.**
- c. For support of radioactive materials procedures not named above, support will be billed to UMMC at the rate of **\$65 per hour** for technical staff and **\$100 hour** for the Radiation Safety Officer. UMB shall provide a description of the RSO and/or technician's time spent during the invoiced period in a level of detail reasonably requested by UMMC.

8. **Inspections and Compliance.**

- a. *UMB Responsibilities.* UMB shall administer an inspection and compliance program. UMB will provide recommendations, guidance, and oversight for the implementation of actions required to control radiation exposure to UMMC personnel that work in areas where radioactive materials are used under the UMB Broad Scope License. As part of that task, UMB shall:
  - i. Conduct all radiation safety program inspections.
  - ii. Conduct periodic audits of areas where radioactive materials are used under the UMB Broad Scope License to determine compliance with applicable license conditions and State regulations.
  - iii. UMB shall conduct radiological inventories, and contamination (i.e., leak tests) surveys for sealed radioactive sources used under the UMB Broad Scope License in accordance with COMAR 26.12.01.01 Part C. 37, C.43 (g) and D.40.
  - iv. Ensure notification of UMMC of potential violations and suggestions for corrective actions to be taken.
- b. *UMMC Responsibilities.* As a partner in ensuring compliance, UMMC shall be responsible to do the following:
  - i. Identify which of its employees are authorized to work with radioactive material and provide a roster of employees quarterly to UMB.
  - ii. Ensure all UMMC Personnel and UMB employees operating within UMMC facilities:

- (1) Are informed of all possible radiation hazards; and
- (2) Adhere to all radiation safety policies and procedures.
- i. Either independently or with UMB, administer corrective, remedial, or disciplinary action for UMMC Personnel or contractors found not in compliance with radiation safety policies, procedures, or protocols to include, but not limited to:
  - (1) Restricting access to radioactive materials;
  - (2) Requiring attendance at remedial training; or
  - (3) Any other appropriate action as determined by either the UMB or UMMC EHS Directors or their designee(s).

9. **Training.**

- a. UMB shall provide training in various applicable topics to personnel using radioactive material obtained under the UMB Broad Scope License as required by license conditions and COMAR 26.12.01.01 Part J.12 and G.310 and G.410. UMB shall also provide training in various applicable topics to personnel operating (or working in close proximity to) radiation producing machines under UMB registration(s).
- b. In the creation of such training UMB agrees to collaborate with UMMC for the purpose of ensuring the training material is crafted in an easily understandable format by UMMC staff.
- c. Trainings will include:
  - i. Fluoroscopy Training (initial and annual refresher) – monthly live (instructor-led) trainings provided virtually or at a UMMC provided location scheduled at times to reflect UMMC staff availability (ex. alternating between 7:00 am and 4:00 pm start times); twelve (12) sessions will be included, with additional requested training available at **\$150 per session**;
  - ii. 13th Floor I-131 Training (annual) – in-person training provided at UMMC at times to reflect UMMC staff availability (ex. early morning to cover two shifts). Four (4) sessions will be included, with additional requested training available at **\$80.00 per session**;
  - iii. Radiation Safety Awareness Training for Pathology Staff – on-demand virtual training;
  - iv. 4th Floor Nursing Staff Awareness Training – on-demand virtual training;
  - v. Nuclear Medicine Radiation Safety Training (annual) - in-person training provided at UMMC at times to reflect UMMC staff availability (ex. early morning to cover two shifts). Three (3) sessions will be included, with additional requested training available at **\$80.00 per session**;
  - vi. Dosimetry Program Training. UMB will provide instruction to UMMC dosimetry coordinators as needed to maintain compliant operation of the dosimetry program; and

- vii. Additional training requests may be honored based on staff availability at a rate of **\$75/hour** for training development and delivery.
- d. UMMC is responsible for ensuring UMMC staff attendance and completion of any required training as determined by law, regulation, or policy.
- e. Either independently or with UMB, UMMC shall administer corrective, remedial, or disciplinary action for any UMMC employee or UMB employee working within a UMMC facility who fails to complete any required radiation safety or related training. UMMC actions shall include, but are not limited to:
  - i. Restricting access to radioactive materials;
  - ii. Requiring attendance at remedial training; or
  - iii. Any other appropriate action as determined by either the UMB or UMMC EHS Directors or their designee(s).

10. **Emergency Response.**

UMB shall provide an emergency rapid response team to respond, 24-hours per day, to radiation accidents/incidents at locations within UMMC where radioactive materials are used under the UMB Broad Scope License.

- a. During normal business hours (8:00 a.m. – 4 p.m. M-F), response time will be 90 minutes or less following notification.
- b. After regular EHS business hours, on weekends, and holidays, response time will be 4 hours or less.
- c. UMMC agrees to use a notification procedure specified by the UMB EHS Director or designee to activate any emergency rapid response resources.

11. **Radiation Producing Machines.**

With regard to radiation producing machines, UMB shall:

- a. Conduct certification inspections, complete associated paperwork, and perform follow-up inspections, as needed;
- b. Conduct annual compliance testing to include, but not limited to, evaluation of compliance with COMAR 26.12.01.01 Section F;
- c. Conduct other required testing, such as “The Joint Commission” accreditation testing and new machine acceptance testing;
- d. Perform machine inspections following repair or component changes, or other follow-up inspections as deemed necessary by EHS;
- e. Provide consultation related to regulatory compliance and other radiation safety issues pertaining to radiation-producing machines;
- f. Provide assessments of patients’ radiation dose as they apply to COMAR public dose thresholds;



- g. Develop and submit paperwork to renew UMMC's radiation-producing machine registrations, which are issued by MDE. Develop and submit paperwork to add units to and remove units from UMMC's registrations; and
- h. Upon request of UMMC, and subject to the availability of EHS resources, perform shielding design for radiation producing machines covered by this agreement at a rate of **\$100 per hour**. This will be billed separately and is not included in the base cost on *Schedule 1*.
- i. Develop and distribute a quarterly activity report for radiation producing machines for the RSC.
- j. In coordination with UMMC, maintain the radiation producing machine and radioactive materials safety manuals. These manuals are intended to be ready references for staff working with radiation at UMMC. They do not replace consultation with the RSO when needed;

12. **Hazardous Waste Management.**

UMB shall provide up to 0.4 FTE for the management of the UMMC radioactive and hazardous chemical waste generated during regular operations. Should a surge occur that requires more than 0.4 FTE in a given month, UMMC will be invoiced at a rate of **\$38.56 per hour**.

13. **Radioactive Waste Management.**

UMB shall provide the following services:

- a. Provide technical assistance to UMMC personnel in the identification and management of radioactive waste generated under the UMB Broad Scope License;
- b. Collect and process radioactive waste consigned to UMB for on-site disposal;
- c. Prepare radioactive waste for off-site disposal to include preparation of radioactive waste manifests;
- d. Analyze and dispose of radioactive materials. The cost of this service will be billed quarterly to UMMC; and
- e. Review procedures and records for radioactive waste held for on-site decay by UMMC's Nuclear Medicine Pharmacy.

14. **Hazardous Chemical Waste Management.**

- a. UMB shall provide the following services for UMMC facilities covered under Hazardous Waste Generator Permit No. MDD150702553:
  - i. Coordinate UMMC participation in a University System of Maryland contract for the disposal of chemical waste, such that UMMC's hazardous waste may be disposed pursuant to that vendor contract ("**USM Waste Disposal Contract**");
  - ii. Provide technical assistance to UMMC personnel for the identification and proper handling and management of hazardous chemical waste;

- iii. Pick up and move hazardous chemical waste from the point of generation to facilities designated for use by UMMC for the accumulation, processing, and temporary storage of hazardous chemical waste;
  - iv. Timely prepare the Hazardous Waste Manifest (Form OMB No. 2050-0039) in accordance with 40 CFR 262.20 and the Land Disposal Restriction form in accordance with 40 CFR 268.7 for signature by UMMC personnel; and
  - v. Timely prepare and submit the biennial report in accordance with 40 CFR 242.41 for signature by UMMC personnel.
- b. UMB shall invoice UMMC, on a quarterly basis for the costs associated with analysis of hazardous chemical waste; materials, supplies, and services used in the analysis or disposal; or modifications to the accumulation facilities which may be necessitated by the quantities or types of waste generated.
- i. With respect to the costs for disposal of hazardous chemical waste, UMMC shall pay those costs directly to the vendor party to the USM Waste Disposal Contract.
- c. In order for both parties to be in compliance with applicable laws, regulations, and standards for the management of hazardous chemical waste, UMMC shall:
- i. If classified as a large quantity generator, write a contingency plan in accordance with 40 CFR 264 Subpart D and 40 CFR 265 Subpart D (can be combined with the Emergency Action/Fire Prevention Plan required by 29 CFR 1910.132);
  - ii. Train UMMC hazardous waste personnel per COMAR 26.13.05.02 and 49 CFR 172 Subpart H;
  - iii. Store hazardous waste at the point of generation per 40 CFR 265.170-178; and
  - iv. Ensure hazardous waste storage facilities meet NFPA and IBC code requirements as well as the requirements in 40 CFR 265.1100.
- d. The term “hazardous chemical waste” in this section excludes pharmaceuticals or pharmaceutical byproducts.
- i. Pharmaceutical or pharmaceutical byproduct waste shall be collected by UMMC staff from the point of generation and transported to facilities designated for use by UMMC for the accumulation, processing, and temporary storage of hazardous chemical waste.
  - ii. UMB staff shall then prepare the accumulated pharmaceutical or pharmaceutical byproduct waste for transport and final disposal.

**15. Clinical Research.**

UMB is responsible for research support. Human subjects protocol reviews and follow-up are excluded from the Radiation Safety Services to be provided by UMB to UMMC, and UMMC has no obligation to pay for such services.

16. **Contingencies.**

- a. It is recognized by both parties that additional services may be needed during the contract term. These services may be an expansion of the type or number of existing services, or may be new services. UMB EHS has typically been able to manage these unrecognized services without additional cost through careful evaluation of priorities, the efficiency and productivity of EHS personnel, and in some instances, temporarily assigning EHS personnel from other areas to assist.
- b. If during the contract term, UMB EHS is asked by UMMC to provide additional or new services, or UMB EHS identifies the need for a significant expansion of services to maintain compliance with the UMB Broad Scope License requirements and conditions that cannot be effectively managed by existing resources, UMMC and UMB may mutually agree, in writing, to increase the cost of the contract or direct bill for external contracted services. Examples may include extensive planning and radiation safety staff support for a new type of radiation therapy, extensive auditing and procedure review for a compliance inspection, or request for services for a new building or expansion of the existing facility.

17. **Communication.**

With respect to any and all reviews, evaluations, inspections, audits or the like related to UMMC's program described in this *Exhibit C*, UMB agrees to provide UMMC with a report of the findings, conclusions and/or recommendations within 10 days of finalization of such review, evaluation, inspection, audit or the like.

18. **Oversight and Management. Reporting Obligations.**

- a. UMB EHS leadership (Director or designee) will provide management direction and oversight of the UMB services provided to UMMC as described in this *Exhibit C*. The UMMC Director of Safety and Environmental Health (SEH) will be the primary administrative point of contact for UMMC with whom the UMB EHS leadership shall communicate.
- b. To the extent UMB carries out any of its obligations set forth in this *Exhibit C* through a third-party contractor or other entity, UMB acknowledges, understands, and agrees that UMB is responsible for monitoring and overseeing such third party's performance and is responsible for that party's performance of services within the scope of this *Exhibit C*.
- c. UMB EHS leadership and the UMMC SEH Director shall meet monthly to review performance pursuant to this *Exhibit C* and to address any operational or performance issues. In addition, each party will immediately notify each other of any actual or potential adverse event of which each becomes aware, including without limitation the following:
  - i. Events related to UMMC employee radiation exposure monitoring;
  - ii. Injury to any UMMC team members, or illness arising from work under this Agreement;
  - iii. Accidental release of a radioisotope or hazardous waste related to UMMC;

- iv. Issues with UMMC shipments of radioactive materials;
  - v. Regulatory agency visit, inspection or request for information related to UMMC;
  - vi. Any report to a regulatory agency related to UMMC under this Agreement; and
  - vii. Expected or known failure to meet the terms of this Exhibit.
- d. To the extent UMB EHS recommends corrective actions related to their operation of the programs described herein, UMMC management agrees to implement such recommendations. To the extent there is a dispute, such shall be elevated to UMMC's Chief Operating Officer and UMB's Chief Business and Finance Officer to resolve the conflict.

19. **Compensation**

Unless otherwise specified herein, in exchange for providing the services described in this *Exhibit C*, UMMC agrees to pay UMB the compensation set forth in *Schedule 1*.

**TOPIC:** Convening Closed Session

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** The Open Meetings Act permits public bodies to close their meetings to the public in special circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Board of Regents Finance Committee will now vote to reconvene in closed session. As required by law, the vote on the closing of the session will be recorded. A written statement of the reason(s) for closing the meeting, including a citation of the authority under §3-305 and a listing of the topics to be discussed, is available for public review.

It is possible that an issue could arise during a closed session that the Committee determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Committee would reconvene in open session to discuss the open session topic or to vote to reconvene in closed session to discuss the additional closed session topic.

**ALTERNATIVE(S):** No alternative is suggested.

**FISCAL IMPACT:** There is no fiscal impact.

**CHANCELLOR'S RECOMMENDATION:** The Chancellor recommends that the Board of Regents Committee on Finance vote to reconvene in closed session.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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UNIVERSITY SYSTEM  
*of* MARYLAND

STATEMENT REGARDING CLOSING A MEETING  
OF THE COMMITTEE ON FINANCE  
OF THE USM BOARD OF REGENTS

Date: May 29, 2024  
Time: 10:30 a.m.  
Location: Video Conference

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
- (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
  - (ii) Any other personnel matter that affects one or more specific individuals.
- (2)  To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3)  To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4)  To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5)  To consider the investment of public funds.
- (6)  To consider the marketing of public securities.
- (7)  To consult with counsel to obtain legal advice on a legal matter.
- (8)  To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9)  To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10)  To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
  - (ii) the development and implementation of emergency plans.
- (11)  To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12)  To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13)  To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14)  Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (15)  To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:
- (i) security assessments or deployments relating to information resources technology;
  - (ii) network security information, including information that is:
    - 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
    - 2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
    - 3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
  - (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

The awarding of new contracts for enterprise licensing and enterprise servicing agreements, and media buying services. The submission of the proposed FY 2026 Capital Budget, including potential adjustments and a request for funding to acquire real property. Information concerning an ongoing legislative audit of an institution.

REASON FOR CLOSING:

To maintain confidentiality of discussions of bid proposals prior to BOR approval and the awarding of a new contracts (§3-305(b)(14)); to maintain confidentiality of discussion regarding a potential acquisition

of real property, to maintain the confidentiality of matters involved in ongoing legislative audits, as required by Section 2-1226 of the State Government Article of the Annotated Code of Maryland (§3-305(b)(13)), and to maintain the confidentiality (pursuant to executive privilege) of proposed capital budget prior to Governor's submission to legislature (§3-305(b)(13)).



**TOPIC:** University of Maryland Global Campus: UMGC Ventures, Inc. Information Technology Contract

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** May 29, 2024

**SUMMARY:** University of Maryland Global Campus (UMGC) is requesting approval for a one-year extension of its contract with UMGC Ventures, Inc. for the provision of institutional technology services. This extension allows UMGC the necessary time to conduct a review of its long-term plans concerning UMGC Ventures, Inc. and AccelerEd, LLC.

The proposed extension covers the period from July 1, 2024, to June 30, 2025, with a total value of \$46 million. The services encompassed within the contract include all professional services pertinent to UMGC's information technology requirements, covering personnel, operational expenses, third-party information technology services, and administrative costs.

The establishment of UMGC Ventures, Inc. was approved by the Board of Regents on June 24, 2016, with the primary objective of developing, managing, and marketing assets and services tailored for educational institutions. Subsequently, UMGC Ventures, Inc. received certification as a High Impact Economic Development Activity (HIEDA) in accordance with USM Policy VIII-15.00 – Policy on High Impact Economic Development Activities.

Operating as a charitable nonprofit “supporting organization” under Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code of 1986, as amended, UMGC Ventures, Inc. is exclusively dedicated to advancing the interests and objectives of UMGC. UMGC receives its information technology services from UMGC Ventures, Inc. through its wholly owned subsidiary AccelerEd, LLC., which is also a HIEDA. This HIEDA contract does not require the approval of the Board of Public Works.

**CONTRACTOR:** UMGC Ventures, Inc., David Cumberbatch, President

**ALTERNATIVE(S):** The University is unable to perform these services currently, as it has previously outsourced its information technology department to UMGC Ventures, Inc.

**FISCAL IMPACT:** The source of funds for this contract is UMGC's operating budget. The total spend for the contract is estimated to be approximately \$46 million inclusive of personnel, operating costs, third party information technology services, and administrative costs.

**CHANCELLOR'S RECOMMENDATION:** That the Finance Committee recommend that the Board of Regents approve for the University of Maryland Global Campus the one-year extension of its contract with UMGC Ventures, Inc. as described above.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Ellen Herbst (301) 445-1923

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UMGC VENTURES IT CONTRACT