



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

December 7, 2022

Meeting via Video and Conference Call

Minutes of the Public Session

Regent Attman welcomed those on the video and teleconference and called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:32 a.m.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Ms. Fish, Mr. Gonella, Mr. Peters, Mr. Pope, Mr. Rauch, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Dr. Masucci, Mr. McDonough, Assistant Attorney General Bainbridge, Dr. Nowaczyk, Dr. Taylor, Dr. Walker, Ms. Aughenbaugh, Mr. Donoway, Ms. Dettloff, Mr. Lockett, Mr. Lowenthal, Ms. Rehn, Dr. Rhodes, Ms. Rodriguez, Mr. Sergi, Ms. Wormack, Ms. Auburger, Mr. Beck, Ms. Denson, Mr. Eismeier, Mr. Hickey, Mr. Muntz, Ms. Norris, Ms. Skolnik, Mr. Acton, Ms. Walker, Ms. Yeh, Mr. Dahl, Ms. Kasden, Mr. Lurie, Mr. Hughes, Mr. Kucskar, Ms. McMann, and other members of the USM community and the public.

1. University System of Maryland: Modification to Contract for Additional Insurance Products (action)

Regent Attman welcomed Ms. Watson, AVP procurement and business services at the University of Maryland, College Park, who led the procurement on behalf of the USM Office. She was joined by Ms. Skolnik, AVC, and Mr. Hoffacker, Human Resources Officer. Prior to reviewing the item, Regent Attman disclosed that he and one other member of the committee each own a small amount of stock in the Metropolitan Life Insurance Company, well under the 3% threshold cited in Maryland code, and confirmed with counsel that participation would not represent a conflict of interest. Turning to the item, Regent Attman presented the request to modify a contract that was previously approved by the Board of Regents two years ago. That original contract with MetLife was for Life and Long-Term Disability Insurance. The RFP also requested information about additional insurance products that could be offered to employees in the future. Based on discussions and surveys of employees, six optional insurance products will now be available to employees. These new products, which will be 100% employee paid, include Group Accident, Critical Illness, Hospital Indemnity, Legal Plans, Pet Insurance; and Group Auto and Home insurance. Regent Attman also explained that Short-Term Disability insurance will also be offered. This product was inadvertently omitted from the original agenda item. These additional insurance products will be offered to employees in 2023.

The Finance Committee recommended that the Board of Regents approve the University System of Maryland to modify the Contract with MetLife to add the optional insurance products as described in the agenda item.

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

Vote Count = YEAs: 7 NAYs: 0 Abstentions: 0

2. University of Maryland, Baltimore: Creation of an Affiliated Business Entity—a Fiscal Sponsor Host Organization—to Serve as an Incubator for Small or Early-stage Nonprofit Projects (action)

Regent Attman welcomed Dr. Rhodes, SVP and chief business and finance officer; Mr. Hughes, SVP and enterprise and economic development officer; Jon Kucskar, AVP for enterprise risk management and special assistant to the president, representing UMB, and Ms. Denson, AVC Financial Affairs, of the USM Office. Regent Attman explained that the University is requesting approval to create a Fiscal Sponsor Host Organization (FSHO) to serve as an incubator for small or early-stage nonprofit projects. This entity will be created as a Business Entity pursuant to Section 12-113 of the Education Article, and USM Policy VIII-13.00.

The new Fiscal Sponsor Host Organization will provide small or early-stage nonprofits with back-office services such as financial, legal, administrative services and capacity building. In doing so, the structure allows client organizations to receive the benefits of tax-exempt status through the FSHO. Importantly, Regent Attman added, this will serve an unmet need in the State—especially in Baltimore City—where grassroots organizations and nonprofits struggle to deliver crucial programs and services without a sponsor. Regent Attman stated that the staff at UMB and the USM Office are working to develop the articles of incorporation, by-laws, an affiliation agreement with the entity, and key policies including conflict of interest policies. All of the agreements, organizational documents, and affiliation agreement will be subject to the approval of the Sr. Vice Chancellor for Administration and Finance. Along with initial funding coming from several foundations in the city, Mr. Hughes stated that UMB will provide a grant of approximately \$200,000 to the FSHO. Dr. Rhodes pointed out that the establishment of the FSHO aligns with two of UMB’s core values—*Equity and Justice*, and *Innovation and Discovery*. Mr. Kucskar provided an example of an individual’s effort to start a breast cancer awareness campaign, based on a personal experience, and how the Fiscal Sponsor Host Organization could play a role in providing back-office support. In response to a question, Ms. Bainbridge confirmed that the OAG had reviewed the material and also reached out to outside counsel.

The Finance Committee recommended that the Board of Regents approve that the University of Maryland, Baltimore may create the FSHO business entity and enter into an Affiliation Agreement, and any other required agreements and documents required to create the entity; and delegate to the Chancellor the authority to execute all required agreements and documents consistent with the USM Policy on Business Entities, following legal review by the Office of the Attorney General. *All agreements, organizational documents, and affiliation agreement are subject to the approval of the USM Sr. Vice Chancellor of Administration and Finance.*

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

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

3. University of Maryland Global Campus: Sale of Largo Properties to Maryland-National Capital Park and Planning Commission (action)

Regent Attman welcomed Mr. Sergi, SVP and COO; and Mr. Lockett, VP and CFO. UMGC is seeking approval to sell several properties located on McCormick Drive in Largo, to the Maryland-National Capital Park and Planning Commission. The properties comprise two buildings and a vacant parcel. Regent Attman explained that as a result of the pandemic, UMGC has re-assessed its space needs given the continuing hybrid work model for its employees. UMGC plans to consolidate operations at the Adelphi location and as a result these properties are no longer necessary for their operations. UMGC obtained two appraisals and Maryland-National Capital Park and Planning Commission obtained three. A sale price of \$75 million was negotiated. UMGC engaged a commercial real estate broker for this sale, NAI Michael, who will be paid a 4% broker fee. There was a brief discussion about the advantages/disadvantages of potentially having an in-house real estate broker. Considerations would include current regulations, number of annual real property transactions involving a broker, potential fees generated, and the cost to carry the required licensed staff. The real property disposition will be presented to the BPW on December 21.

The Finance Committee recommended that the Board of Regents approve for UMGC the disposition by sale of a 232,038 sq. ft. building at 1616 McCormick Drive, a 63,500 sq. ft. building at 1601 McCormick Drive, and a 6.8-acre vacant parcel at 1440 McCormick Drive, Upper Marlboro, MD 20774, for \$75 million, to the Maryland-National Capital Park and Planning Commission consistent with the University System of Maryland Procedures for the Acquisition and Disposition of Real Property.

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

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

4. 2022 USM Dashboard Indicators (information)

Regent Attman provided a brief background of the Dashboard Indicators. Over a decade ago, the Board of Regents and the presidents collaborated to create a dashboard of key performance indicators for each USM institution. The indicators measure a wide variety of objectives that span many parts of the institution. The intent of the initiative was to be a single source of information where all data could be reviewed at one-point in time. The indicators have been reconfigured over time and realigned with strategic efforts. With the upcoming implementation of the new USM Strategic Plan, the creation of the infrastructure to assign indicators to the new Strategic Plan is already underway. Regent Attman then invited Mr. Muntz, AVC of institutional research, data & analytics, to proceed with a demonstration of the DBIs.

Mr. Muntz walked everyone through the opening summary page, and then demonstrated how to navigate among the number of moving parts on the site. He pointed out that the enhanced site permits a user to view the indicators more comprehensively and from various different perspectives. He also displayed one of the former reports that that is available online as well. Upon conclusion of his presentation, Mr. Muntz recognized and thanked Ms. Yeh and Ms. Walker, two of his colleagues who were and continue to be instrumental in the evolution and improvement of the DBIs project. Regent Attman praised the team for their work on the DBIs. Several regents expressed their appreciation and enthusiasm for the new and improved site, noting its increased functionality and the ease of use. Mr. Muntz added that all of the data, from an accountability standpoint, remain publicly accessible, with the IR and IT staff utilizing existing national data sources.

The Finance Committee received the item for information purposes.

5. Convening Closed Session

Regent Attman read the Convene to Close Statement.

“The Open Meetings Act permits public bodies to close their meetings to the public in circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Committee on Finance will now vote to reconvene in closed session. The agenda for the public meeting today includes a written statement with a citation of the legal authority and reasons for closing the meeting and a listing of the topics to be discussed. The statement has been provided to the regents and it is posted on the USM’s website.”

The Chancellor recommended that the Committee on Finance vote to reconvene in closed session.

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

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

Regent Attman thanked everyone for joining. The public meeting was adjourned at 11:22 a.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance



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**BOARD OF REGENTS
COMMITTEE ON FINANCE**

December 7, 2022

Meeting via Video Conference

Minutes of the Closed Session

Regent Attman called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session at 11:23 a.m. via video conference.

Regents participating in the session included: Mr. Attman, Ms. Gooden, Ms. Fish, Mr. Gonella, Mr. Peters, Mr. Pope, Mr. Rauch, and Mr. Wood. Also participating were: Dr. Perman, Ms. Herbst, Ms. Wilkerson, Dr. Masucci, Mr. McDonough, Assistant Attorney General Bainbridge, Ms. Auburger, Mr. Hickey, and Ms. McMann. Dr. Nowaczyk, Dr. Taylor, Mr. Donoway, and Dr. Walker also participated in part of the session.

1. The committee discussed the awarding of a contract for online program management (§3-305(b)(14)). (Regent Attman moved recommendation, seconded by Regent Gooden; approved)
Vote Count = YEAs: 8 NAYs: 0 Abstentions: 0
2. The committee discussed the proposed FY 2024 Operating Budget submission and potential adjustments to the submission (§3-305(b)(13)).
This item was presented for information purposes; there were no votes on this item.
3. The committee discussed the self-assessment results (§3-103(a)(1)(i)).
This item was presented for information purposes; there were no votes on this item.

The session was adjourned at 12:04 p.m.

Respectfully submitted,

Gary L. Attman
Chair, Committee on Finance