



UNIVERSITY SYSTEM  
*of MARYLAND*  
BOARD OF REGENTS  
COMMITTEE ON FINANCE

May 29, 2024

Meeting via Video and Conference Call

Minutes of the Public Session

---

Regent Fish welcomed those on the video and teleconference and called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:31 a.m.

Regents participating in the session included: Ms. Fish, Mr. Gonella, Ms. Gooden, Mr. Hasan, Ms. Helal, Mr. Pope, and Mr. Sibel. Also participating were: Chancellor Perman, Ms. Herbst, Dr. Wrynn, Dr. Masucci, Ms. Lawrence, Mr. Mosca, Assistant Attorney General Bainbridge, Assistant Attorney General Palkovitz, Dr. Fowler, Dr. Caraco, Ms. Aughenbaugh, Mr. Bitner, Ms. Brace, Mr. Colella, Ms. Dettloff, Mr. Donoway, Ms. Edenhart-Pepe, Mr. Henley, Mr. Lockett, Mr. Lowenthal, Mr. Oler, Dr. Rhodes, Mr. Sergi, Mr. Maginnis, Ms. Watson, Mr. Ullmann, Ms. Peartree, Mr. Trierweiler, Mr. Zain, Ms. Barry, Ms. Auburger, Mr. Beck, Ms. Denson, Mr. Hickey, Mr. Li, Mr. Muntz, Ms. Norris, Ms. Skolnik, Mr. Bothun, Mr. Brown, Ms. Bucko, Ms. McMann, and other members of the USM community and the public.

1. University System of Maryland: FY 2025 Operating Budget (action)

Regent Fish stated that this item represents the operating budget as approved by the Legislature during this session. The budget is required to be approved by the Board of Regents prior to July 1. She reminded everyone that throughout the year, Chancellor Perman and Sr. Vice Chancellor Herbst had done a thorough job of keeping the Board informed on the strategic direction and progress of the budget. Referring to the material, Regent Fish specified that the total USM budget of \$7.5 billion included a state funding increase of \$98 million, or 4.4% over the FY 2024 budget. She added that the increase in state general funds is significantly impacted by salary enhancements for faculty and staff, which are initially held in the DBM Personnel budget. She highlighted several key points, including an appropriation of \$142.9 million to fund COLA and merit salary increases, \$7.3 million of fringe benefit increases, \$35.5 million related to the HBCU Lawsuit Settlement, and various campus initiatives making up the balance. She also noted a reduction of \$55 million due to an adjustment to the position turnover rate. Chancellor Perman expressed his appreciation of the Governor, Senate President, and Speaker of the House for their support of the University System.

**The Finance Committee recommended 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.**

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

Vote Count    YEAs: 7            NAYs: 0            Abstentions: 0

2. FY 2025 System Funded Construction Program Request (action)

Regent Fish explained that this item concerns the recommendation for the FY 2025 System Funded Construction Program (SFCP), which includes funding from USM Auxiliary Bonds and cash funding by institutions as outlined in the attachments. If the Board approves the SFCP at its June meeting, the budget will become effective on July 1. Regent Fish advised the committee that while the approval is for the single asking-year budget, Board policy requires a full five-year plan. She noted that three ongoing public-private partnership (P3) projects had previously been presented to the committee and highlighted that P3 projects typically impact USM debt capacity.

In response to questions about the process of evaluating, prioritizing, and selecting projects, Mr. Beck reviewed a Capital Budgeting Process flow chart and offered to follow up with Regent Hasan and other members of the committee. Regent Fish mentioned that there would be a capital budget workshop next spring in advance of the June meeting cycle.

Addressing a question about affordable student residences for all campuses, Chancellor Perman indicated that this is a top priority, and the team is focused on this issue. Sr. Vice Chancellor Herbst added that the team is working with the two construction management service centers to ensure the USM gets the best value for its projects, noting that modular construction is one consideration.

**The Finance Committee recommended that the Board of Regents approve the FY 2025 System Funded Construction Program request with the conditions listed (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.**

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

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

3. University System of Maryland: Forty-Sixth Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds (action)

Regent Fish stated that the resolution authorizes the issuance of Revenue Bonds to finance \$64,950,000 for academic and auxiliary facilities projects. This action is required under the Indenture of Trust. The 46th Resolution includes authorizations for two academic projects already approved by the Maryland Legislature and signed by the Governor, as well as five auxiliary projects that the Committee just recommended for approval in the SFCP. Over a 20-year period, the average term of all debt issues, annual debt service will increase by approximately \$5.2 million. Regent Fish reported that the USM remains within the state’s legislative debt cap of \$1.7 billion and adheres to the financial ratios set by the Board. In response to a question from Regent Gooden regarding the timing of issuance, Ms. Norris responded that the USM has sufficient cash on hand and will likely follow the typical January/February issuance schedule.

**The Finance Committee recommended that the Board of Regents approve the 46<sup>th</sup> Bond Resolution.**

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

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

4. University System of Maryland: Official Intent Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects (action)

Regent Fish stated that the item before the Committee satisfies an IRS requirement that governing boards actively assert their intent to reimburse cash balances used for projects funded with Revenue Bond proceeds. Project spending and estimates often fluctuate, causing proceeds to be spent either slower or faster than anticipated. Consequently, the System will use cash to cover project costs with the intention of reimbursing itself with bond funds when the next issuance closes.

**The Finance Committee recommended that the Board of Regents approve the 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.**

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

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

5. Proposed Amendment to USM Policy VIII-2.70—Policy on Student Classification for Admission and Tuition Purposes (action)

Regent Fish welcomed Sr. Vice Chancellor Wrynn and Dr. Caraco from the Office of Academic and Student Affairs, then proceeded to summarize the item. The Office of Academic and Student Affairs collaborated with the Office of the Attorney General to draft the proposed amendments for the Board’s consideration. The policy undergoes regular review to ensure alignment with state and federal law changes and to address frequent questions from students and families. Regent Fish reviewed key proposed edits including: aligning the policy with new federal laws requiring in-state tuition charges for specific groups (e.g., members of the US Foreign Service). Removing the requirement for Maryland voter registration as a stand-alone requirement. Adding Maryland voter registration as part of a set of documents to prove residency and intent to remain in Maryland permanently. Clarifying and refining policy phrasing for better understanding and application.

In response to a question from Regent Helal regarding students who have been in the State for a year or two on visas, have attended and graduated from Maryland high schools, yet are classified as international students, Dr. Caraco clarified that the state law mandates a three-year requirement that the USM must adhere to.

**The Finance Committee recommended that the Board of Regents approve the proposed amendment to USM’s Policy on Student Classification for Admission and Tuition Purposes, as presented.**

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

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

6. University System of Maryland: Revisions to USM Procurement Policies and Procedures (action)

Regent Fish extended her sincere appreciation to Vice Presidents Rhodes and Lowenthal, and Mr. Hickey for their exceptional leadership in this effort. She also commended the dedicated workgroup of USM procurement directors for their tireless contributions over the past year. She then turned to Mr. Hickey, who provided a brief overview of USM procurement, referencing the slide deck included in the agenda item.

The USM Procurement Policies and Procedures were last updated in 2016. These policies govern procurements within the University System. The major proposed changes were reviewed, including: any revisions to these policies now require approval from the Board of Public Works (BPW). Contracts related to Intercollegiate Athletics and High Impact Economic Development Activities are excluded from BPW approval. Two new exclusions for utilities and accreditation fees are introduced. A new provision allows for the cancellation of solicitations. The existing USM Policy on Service Contracts is now embedded within the USM Procurement Policies and Procedures, following a formal opinion from the Office of the Attorney General. A provision on liquidated damages, as required by statute, has been added. The standalone Policy on Service Contracts is recommended for revocation as it is now incorporated within the overall procurement policies. The revisions underwent a thorough review and received approval from USM procurement directors, the vice presidents for administration and finance, the Chancellor's Council, and the Office of the Attorney General for legal form.

Regent Helal conveyed a concern raised by students regarding the use of the Maryland Correctional Enterprises (MCE) program. Mr. Hickey explained that utilizing MCE is a statutory requirement. He mentioned that he is a member of the advisory council and offered to arrange an informational session and a tour of the operations. He highlighted that MCE aims to provide employment opportunities, and individuals in the correctional system who are employed by MCE receive job training, which can support their rehabilitation. He added that participation in the program is voluntary and noted that there is a long waiting list of individuals seeking to access the program.

**The Finance Committee recommended that the Board of Regents approve revisions to the USM Procurement Policies and Procedures. 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.**

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

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

7. University System of Maryland: Revision to USM Policy on Approval of Procurement Contracts (action)

Regent Fish stated that this item is a companion to the USM Procurement Policies and Procedures revisions. The revisions include a clarification that Board of Regents' approval is required for any contract exceeding \$5 million in value, regardless of any exclusions in the USM Procurement Policies and Procedures. In response to a question about the difference with the CIP approval, Mr. Hickey clarified that capital construction *contracts* are presented to the Board of Public Works. The Board of Regents approves the capital projects in the CIP, but not the individual construction contracts.

**The Finance Committee recommended that the Board of Regents approve the proposed amendment to USM's Policy on Approval of Procurement Contracts.**

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

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

8. University of Maryland, College Park: Lease Extension at Diamondback Garage (action)

Regent Fish greeted Mr. Colella, Mr. Oler, and Mr. Maginnis and proceeded to summarize the request. The University is seeking to exercise its first option to renew a lease for 20,286 leasable square feet of commercial space on the ground floor of The Hotel at the University of Maryland. The lease term is for ten years, and the University is exercising this option early to negotiate longer-term leases with its sub-tenants. The projected base rent for the first year of the option term is \$29.50 per square foot, totaling just under \$600,000 annually. In response to Regent Fish's inquiry about how the University knows if this rate is fair market, Mr. Colella described the location of the space, situated on the lower-level side of the Hotel facing a parking lot, with rents in the area slightly higher. Mr. Maginnis added that eight leases in the general area range from \$30 to \$38 per square foot, morphing to around \$34. With a projected increase of 3%, the rate would scale up to approximately \$39 per square foot.

**The Finance Committee recommended that the Board of Regents approve the University of Maryland, College Park exercising the first of its two lease renewal options for Diamondback Garage.**

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

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

9. University of Maryland, College Park: Contract Extension for Official Athletic Team Sponsorship and Intercollegiate Athletics Uniforms and Related Products (action)

Regent Fish recognized Mr. Ullmann and Ms. Watson, who joined Mr. Colella and Mr. Oler. Regent Fish provided a summary of the request. The University seeks approval to extend its current contract for official athletic team sponsorship with Under Armour for an additional twelve years, from July 1, 2024, through June 30, 2036. This revenue-generating contract is projected to provide \$98 million to the University over that period. It was determined by the University that conducting a competitive procurement would not be advantageous, and extending the current agreement with Under Armour is deemed to be in its best interest. This Intercollegiate Athletics-related contract will not require the approval of the Board of Public Works. Regent Fish invited Mr. Colella and his colleagues to provide comment. Mr. Ullmann elaborated on the University's longstanding partnership with Under Armour and highlighted the benefits it provides to the university community, emphasizing that the new agreement represents an improvement over the existing one. Regent Gooden emphasized the importance of understanding the comparative value of this agreement and suggested that future submissions incorporate a comparative analysis with similar partnerships within the Big Ten Conference. Additionally, Regent Gooden recommended the inclusion of a chart for enhanced clarity.

**The Finance Committee recommended that the Board of Regents approve the 12-year contract extension with Under Armour for the University of Maryland, College Park, as described in the agenda item.**

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

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

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)

Regent Fish acknowledged the presence of Dr. Rhodes and Ms. Peartree, then proceeded to outline the agenda item. She explained that Section 13-306 of the Education Article of the State of Maryland required the submission of the annual contract to the Board of Regents for consideration, modification, and approval upon recommendation of the UMB president. It was emphasized that the Office of the Attorney General has reviewed the contract text for its form and legal sufficiency. Dr. Rhodes provided a brief overview of the exchange of funds, highlighting a 12% increase in net transfer to UMB, attributed to faculty services and mission support. She also noted that while Schedule 8 (Mission Support Agreement) is correct in total, it has undergone recent allocation updates, and an updated chart will be provided before the Board meeting.

**The Finance Committee recommended that the Board of Regents authorize the President of UMB to execute the FY 2025 Annual Contract.**

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

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

11. Convening Closed Session – Temporary Adjournment for Closed Session

Regent Fish explained that the public session would be briefly adjourned while the Committee on Finance met in the first part of its two-part closed session. Regent Fish then read the Convene to Close Statement.

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

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

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

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

The public session was temporarily adjourned at 12:02 p.m.

Following a closed session, the Finance Committee reconvened in public session at 12:24 p.m.

12. University of Maryland Global Campus: Ventures Information Technology Contract (action)

Regent Fish provided a summary of the item. UMGC is requesting to extend its information technology services contract with Ventures for one year at a cost of \$46 million. This extension will afford UMGC the opportunity to thoroughly assess the cost-effectiveness of the arrangement. The contract encompasses a comprehensive range of IT services, including personnel, operating costs, third-party IT services, and administrative expenses.

**The Finance Committee recommended 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 in the agenda item.**

(Regent Fish moved recommendation, seconded by Regent Gooden; approved)  
Vote Count = Yeas: 6                      Nays: 0                      Abstentions: 1 - Regent Gonella

13.     Convening Closed Session

Regent Fish read the Convene to Close Statement.

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

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

(Regent Pope moved recommendation, seconded by Regent Hasan; approved)  
Vote Count = Yeas: 7                      Nays: 0                      Abstentions: 0

Regent Fish thanked everyone for joining. The public meeting was adjourned at 12:28 p.m.

Respectfully submitted,

Ellen R. Fish  
Chair, Committee on Finance



UNIVERSITY SYSTEM  
of MARYLAND

BOARD OF REGENTS  
COMMITTEE ON FINANCE

May 29, 2024  
Meeting via Video Conference

Minutes of the Closed Session

---

Closed Session (Part One)

Regent Fish called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session, part one of two, at 12:06 p.m. via video conference.

Regents attending the session included: Ms. Fish, Mr. Gonella, Ms. Gooden, Mr. Hasan, Ms. Helal, Mr. Pope, and Mr. Sibel. Also in attendance were: Chancellor Perman, Ms. Herbst, Mr. Mosca, Ms. Wilkerson, Asst. Attorney General Bainbridge, President Fowler, Mr. Sergi, Mr. Lockett, Ms. Denson, Mr. Hickey, and Ms. McMann.

1. The committee discussed information concerning an ongoing legislative audit of an institution (§3-305(b)(13)). This item was presented for information purposes; there were no votes on this item.

The Committee adjourned part one of the closed session at 12:24 p.m.

Closed Session (Part Two)

Following the adjournment of the public session, Regent Fish reconvened the Finance Committee of the University System of Maryland Board of Regents in closed session, part two of two, at 12:32 p.m. via video conference.

Regents attending the session included: Ms. Fish, Mr. Gonella, Mr. Hasan, Mr. Pope, and Mr. Sibel. Also in attendance were: Chancellor Perman, Ms. Herbst, Ms. Wilkerson, Asst. Attorney General Bainbridge, Asst. Attorney General Palkovitz, Mr. Beck, Ms. Bucko, Ms. Denson, Mr. Hickey, Ms. Norris, and Ms. McMann. President Fowler, Mr. Sergi, Mr. Trierweiler, Mr. Lockett, Mr. Zain, Ms. Barry, Mr. Bothun, and Ms. Aughenbaugh also participated in part of the session.

2. The committee discussed the proposed FY 2026 Capital Budget submission (§3-305(b)(13)). (Regent Pope moved recommendation, seconded by Regent Hasan; approved)  
Vote Count = YEAs: 5            NAYs: 0            Abstentions: 0
3. The committee discussed the awarding of a contract for advertising media buying services (§3-305(b)(14)). (Regent Fish moved recommendation, seconded by Regent Pope; approved)  
Vote Count = YEAs: 5            NAYs: 0            Abstentions: 0



4. The committee discussed the awarding of a contract for an enterprise license agreement and enterprise support agreement (§3-305(b)(14)).  
(Regent Fish moved recommendation, seconded by Regent Pope; approved)  
Vote Count = YEAs: 5            NAYs: 0            Abstentions: 0
  
5. The committee discussed a potential real property acquisition in the City of Baltimore (§3-305(b)(3)). This item was presented for information purposes; there were no votes on this item.

The session was adjourned at 12:45 p.m.

Respectfully submitted,

Ellen R. Fish  
Chair, Committee on Finance