



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS
COMMITTEE ON FINANCE

October 27, 2025

Meeting via Video and Conference Call

Minutes of the Public Session

Regent Gonella called to order the meeting of the Finance Committee of the University System of Maryland Board of Regents at 11:01 a.m., with participants joining by video conference and teleconference.

Regents participating in the session included: Ms. Gooden, Mr. Gonella, Mr. Hasan, Mr. McMillen, Mr. Mirani, Ms. Speaks, and Mr. Wood. Also participating were: Chancellor Perman, Ms. Herbst, Ms. Lawrence, Mr. Minor, Dr. Wrynn, Ms. Wilkerson, Assistant Attorney General Boyle, Assistant Attorney General Palkovitz, Assistant Attorney General Stover, President Pines, Ms. Aughenbaugh, Mr. Bitner, Mr. Danik, Mr. Donoway, Ms. Edenhart-Pepe, Mr. Henley, Mr. Jones, Mr. Lockett, Mr. Lowenthal, Mr. Nemazie, Mr. Oler, Mr. Palmer, Mr. Petree, Mr. Reuning, Dr. Rhodes, Mr. Sergi, Mr. Berkheimer, Mr. Olen, Mr. McCann, Ms. Borgerding, Ms. Latimore, Mr. Maginnis, Ms. Skinner, Dr. Caraco, Ms. Auburger, Mr. Beck, Ms. Denson, Mr. Eismeier, Mr. Hickey, Mr. Li, Mr. Muntz, Ms. Norris, Mr. Acton, Ms. Sule, Dr. Ojo, Ms. McMann, and other members of the USM community and the public.

Regent Gonella welcomed all participants to the October meeting of the Finance Committee. He noted that, as Chair Fish was away, he would be leading the meeting. Regent Gonella also welcomed the committee's newest member, Regent Speaks, and noted that the committee looks forward to her contributions. He then turned to the first item on the agenda.

1. University System of Maryland: Amendment to the Forty-Seventh Bond Resolution—Auxiliary Facility and Tuition Revenue Bonds (action)

Regent Gonella introduced the first item. He noted that the Board adopted the original resolution in June 2025 to authorize the issuance of bonds for several approved projects. Last month, the Board approved the committee's recommendation to increase funding for the Tubman Hall refurbishment at Bowie State University. The amendment authorizes an additional \$4 million in revenue bonds for the project and updates the total authorization under the Forty-Seventh Resolution accordingly. With this change, the project's total bond-supported funding increases to \$14.05 million, and the overall authorization under the resolution rises from \$96.059 million to \$100.059 million. Regent Gonella also noted that Miles & Stockbridge is serving as bond counsel for the transaction and that issuing an additional \$4 million would result in estimated annual debt service of approximately \$318,000 over 20 years at an assumed interest rate of 5%.

The Finance Committee recommended that the Board of Regents approve the Amendment to the Forty-Seventh Bond Resolution.

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

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

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

Regent Gonella introduced the next item. Salisbury University seeks to increase the project budget by \$2.4 million, from \$12.0 million to \$14.4 million, to replace end-of-life mechanical systems that support the campus's dining hall. The project includes new exhaust hoods, a conveyor dishwasher with ducted exhaust, multiple general exhaust fans, seven make-up air units, and associated fire-suppression systems and ductwork.

He noted that the project was originally authorized in June through the System Funded Construction Program based on a 2021 engineer's estimate, but the design/build contractor, Whiting-Turner, has issued updated cost estimates reflecting current market conditions. Higher costs stem from limited regional competition, elevated mechanical and electrical labor rates, specialized equipment requirements, and constrained bidding capacity due in part to a major hospital construction project in the region. Additional delays resulted from design complexity, updated codes, and the need to schedule work to avoid disrupting summer dining operations.

The project is now fully bid and includes a 15% contingency. Funding will come from institutional resources, and the new mechanical systems are expected to reduce annual utility costs by more than \$75,000. Salisbury was represented by Ms. Edenhart-Pepe, vice president for administration and finance; Mr. Berkheimer, associate vice president for facilities and capital management; and, from the UMCP service center, Mr. Olen.

In response to a question from Regent Mirani regarding the potential impact on students during the project, Mr. Berkheimer noted that while menu options may be limited at times, the campus will take steps to minimize disruption, including using outside vendors if necessary. Regent Hasan asked for clarification about the stage of the estimate being presented, and Mr. Olen confirmed that the construction manager has provided final costs, including subcontractor bids, and that no changes are anticipated other than unforeseen conditions that would be addressed through the project contingency. In response to a question from Regent Wood, Mr. Olen briefly reviewed the bid process.

The Finance Committee recommended that the Board of Regents approve Salisbury University's request to increase the project budget authorization to a total of \$14.4 million for the Commons Building Kitchen HVAC Replacement, as described in the item.

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

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

3. Towson University: Central Utility Plant Fire Restoration (action)

Regent Gonella welcomed the representatives from Towson University and the UMB Service Center. He also recognized that this meeting marked the final appearance of Mr. Lowenthal before his departure from the university to become CFO at Touro University in New York, following more than 30 years of service to the State of Maryland. Regent Gonella thanked Mr. Lowenthal for his leadership and extended best wishes for continued success. He then welcomed Mr. Palmer, who will be serving as Towson's interim CFO.

Regent Gonella introduced the item, noting that it concerns restoration work following a July 31 storm that caused water infiltration and a fire in Substation 2 of the Central Utility Plant. The fire was extinguished after several sprinkler heads discharged, and the university quickly assessed the damage, maintained essential operations, and installed temporary systems to support the campus core. All three substations in the affected switchgear room were damaged beyond repair and require replacement. Towson University is requesting project authorization of \$9.7 million to undertake this work and is working with the State's insurance program to determine the level of reimbursement, with the university responsible for at least the \$2.3 million deductible.

During discussion, Regent Mirani asked whether work on the project could begin before insurance matters were resolved. Mr. Jones confirmed that the university can proceed while insurance issues are being finalized and noted that redesign work necessary to support long-term operations is underway, with a targeted completion date in fall 2027. Regent Hasan asked for clarification on the nature of the cost estimate, observing that the construction figure is rounded at the million-dollar level. Representatives from Towson and the UMB Service Center explained that the estimate remains highly conceptual, as engineering work is still underway and the construction manager has recently joined the project team. Regent Hasan expressed concern about approving a request at such an early stage of development.

Committee members acknowledged the urgency of the request, noting that Towson University cannot delay critical work and that timely ordering of equipment, some with lead times exceeding 18 months, requires authorization to proceed. After discussion, the committee agreed to recommend a conditional approval that allows the university to proceed while requiring Towson to return to the next meeting with a more detailed estimate and status update.

The Finance Committee recommended that the Board of Regents approve Towson University's \$9.7 million project request for the Central Utility Plant Fire Restoration, to be funded through a combination of insurance proceeds and institutional fund balance for costs not covered by insurance, with the condition that the university return to the December meeting to provide a breakdown of the elements of the project and confirm that the project total remains appropriate.

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

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

4. University System of Maryland: Report on FY 2025 Procurement Contracts (information)

Regent Gonella introduced the next item, an information report on procurement contracts between \$1 million and \$5 million, as well as any emergency or expedited procurements, for fiscal year 2025. A total of 49 contracts met the reporting threshold, with a combined value of \$112.075 million. There were no emergency or expedited procurements during the reporting period. Of the contracts awarded, 51% went to Maryland-based firms, and the Minority Business Enterprise participation rate was 8%. A detailed chart summarizing the report is included in the meeting materials. Associate Vice Chancellor Hickey was present to address any questions from the committee; none were raised.

The Finance Committee received the item for information purposes.

5. Enrollment Update and FY 2026 Estimated FTE Report (information)

Regent Gonella introduced the next item, the annual Preliminary Enrollment and FTE Report. He noted that the report provides the first official look at fall 2025 enrollment, reflecting preliminary figures compiled after the final add/drop deadline. While the numbers will be finalized shortly, these early counts have historically aligned closely with the final totals. The report also offers an early indication of how actual enrollment compares to the projections approved by the Board last spring. Regent Gonella highlighted that total USM enrollment for fall 2025 is 178,131 students, a record high for the System. This growth appears to be driven by both a record cohort of first-time, full-time undergraduates and the third consecutive year of increases in graduate enrollment. He then turned the presentation over to Mr. Muntz, associate vice chancellor for decision support and chief analytics officer.

Mr. Muntz presented the report, noting that fall 2025 includes more than 1,000 additional first-time freshmen compared to last year and an estimated increase of approximately 2,500 full-time equivalent (FTE) students for fiscal year 2026. He reviewed trends in undergraduate and graduate enrollment, institutional changes since 2019, and updated projections. His presentation also outlined the annual cycle through which enrollment data inform the System's financial planning, including tuition, fee, and budget development.

The supporting slides are available online: <https://www.usmd.edu/regents/agendas/>.

During discussion, Regent McMillen asked how the System's positive enrollment results reconcile with national concerns about an anticipated "enrollment cliff." Mr. Muntz explained that projections show the number of Maryland high school graduates remaining stable over the next decade and that approximately 64% of the state's 70,000 public high school graduates remain in Maryland. Because Maryland is a net exporter of college-going students, increased competition from other states seeking to attract Maryland students is expected as national declines begin. Regent McMillen then asked what steps the System might take to reduce the state's "brain drain." Chancellor Perman responded that the System's branding campaign presents an opportunity to strengthen awareness of USM institutions and that the focused early-college initiative is an important strategy for reaching students who may not otherwise engage with an institution or visit a campus. Mr. Muntz added that roughly half of the Maryland students who enroll elsewhere return to the state to work.

In response to an inquiry from Regent Hasan, Mr. Muntz acknowledged that UMGC accounted for much of the prior year's growth, while all but two institutions experienced enrollment increases last year. Looking ahead, Sr. Vice Chancellor Herbst added that, with the tuition-setting process beginning in late January, it is too early in the cycle to assess how future tuition decisions might affect enrollment trends. Dr. Wrynn commented that the traditional student is, in many respects, now the nontraditional student, but emphasized that the USM will always have a place for students who choose to come directly after high school. Regent Speaks asked about tracking of returning students, and Mr. Muntz reported that the System's first-time student retention rate remains strong, typically between 80 and 82%.

The Finance Committee received the item for information purposes.

6. Convening Closed Session

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

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

Regent Gonella thanked everyone for joining. The public meeting was adjourned at 12:01 p.m.

Respectfully submitted,

Geoff J. Gonella
Committee member, presiding



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

October 27, 2025

Meeting via Video Conference

Minutes of the Closed Session

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

Regents participating in the session included: Mr. Gonella, Mr. McMillen, Mr. Mirani, Ms. Speaks, and Mr. Wood. Also participating were: Ms. Herbst, Ms. Lawrence, Mr. Minor, Dr. Wrynn, Ms. Wilkerson, Assistant Attorney General Boyle, Assistant Attorney General Palkovitz, Assistant Attorney General Stover, Mr. Acton, Ms. Denson, Mr. Hickey, Ms. Norris, and Ms. McMann. President Pines, Mr. Oler, Mr. Reuning, Mr. Maginnis, Ms. Skinner, Dr. Beiler, Mr. Price, Mr. Lamore, Mr. Rosan, Dr. Powers, Ms. Vernon, and Mr. Steen also participated in part of the session.

1. The committee discussed the lease of property in the City of College Park (§3-305(b)(3)).
(Regent Gonella moved recommendation, seconded by Regent Speaks; approved)
Vote Count = Yeas: 4 Nays: 0 Abstentions: 1 – Regent Mirani
2. The committee discussed the acquisition of property in Queen Anne’s County (§3-305(b)(3)).
(Regent Gonella moved recommendation, seconded by Regent McMillen; approved)
Vote Count = Yeas: 5 Nays: 0 Abstentions: 0
3. The committee discussed the investment of the Common Trust Fund (§3-305(b)(5)).
This item was presented for information purposes; there were no votes on this item.

The session was adjourned at 12:53 p.m.

Respectfully submitted,

Geoff J. Gonella
Committee member, presiding