



UNIVERSITY SYSTEM
of MARYLAND

**BOARD OF REGENTS
COMMITTEE ON FINANCE**

January 28, 2026

Meeting via Video and Conference Call

Minutes of the Public Session

Regent Fish called to order the meeting of the Finance Committee of the University System of Maryland Board of Regents at 3:01 p.m., with participants joining by video conference and teleconference.

Regents participating in the session included: Ms. Fish, 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. Masucci, Mr. Sandler, Dr. Wrynn, Ms. Wilkerson, Assistant Attorney General Boyle, Assistant Attorney General Langrill, Assistant Attorney General Palkovitz, Assistant Attorney General Stover, Assistant Attorney General Marek, President Jarrell, President Lepre, Ms. Aughenbaugh, Mr. Bitner, Mr. Donoway, Ms. Edenhart-Pepe, Mr. Henley, Mr. Lockett, Mr. Namazie, Mr. Palmer, Mr. Petree, Mr. Reuning, Dr. Rhodes, Mr. Sergi, Mr. Berkheimer, Mr. Modlin, Mr. Hughes, Mr. Mowbray, Mr. Grooms, Mr. Olen, Mr. Phillips, Ms. Borgerding, Ms. Latimore, Ms. Monger, Ms. Iacobellis, Mr. Gagnon, Mr. Eshleman, Mr. Bak, Mr. Welsh, Mr. Webb, Mr. Patel, Mr. Anasagasti, Ms. Auburger, Mr. Beck, Mr. Chanen, Ms. Denson, Mr. Eismeier, Mr. Hickey, Mr. Li, Mr. Muntz, Ms. Norris, Ms. Sule, Mr. Acton, Mr. Brown, Ms. Bucko, Ms. McMann, and other members of the USM community and the public.

Regent Fish welcomed all participants to the January meeting of the Finance Committee.

1. Salisbury University: Facilities Master Plan (information and presentation)

Regent Fish welcomed President Lepre, accompanied by Mr. Modlin, chief of staff; Ms. Edenhart-Pepe, vice president of administration and finance; and Mr. Berkheimer, associate vice president of facilities and capital management, to present an overview of Salisbury University's Facilities Master Plan. The chair noted that facilities master plans provide a long-range, flexible framework to guide how campuses develop, renew, and utilize their physical assets in alignment with institutional mission, academic priorities, and projected needs, typically over a 10- to 20-year horizon.

President Lepre described Salisbury University's proactive approach to aligning its facilities with institutional goals and future growth. She noted the university's strong commitment to on-campus student housing, with current occupancy rates at approximately 98 to 99%. The plan includes the development of an expanded student hub and upgrades to athletics and recreation facilities to improve access for all users. Sustainability is a central focus, with planned improvements along the Route 13 corridor to enhance pedestrian and bicycle connectivity, strengthen links to campus, and promote a more accessible, walkable, and cohesive environment. Projects within the plan are intentionally sequenced to support phased implementation. In closing, President Lepre emphasized that the university is planning proactively to align facilities with its mission, prepare for future generations, and establish a shared vision for the campus.

During the discussion, Regent Fish commented on the facilities condition information presented and encouraged continued attention to facilities renewal, noting the importance of addressing needs before they become critical. Regent Wood thanked the president for a clear and well-organized presentation and asked whether funds are set aside for facilities renewal. President Lepre confirmed that the university has dedicated funding, and Mr. Berkheimer added that the institution targets at least 2% of replacement value annually within its operating budget, supplemented by plant funds, much of which is already committed to ongoing projects. Regent McMillen noted potential opportunities for federal earmarks, particularly for STEM laboratories and technology upgrades, and suggested the Salisbury team engage with Representative Harris's staff. Regent Hasan asked about stakeholder engagement in the development of the plan. Mr. Berkheimer responded that the process included multiple town halls, tabling sessions, and open work sessions, providing broad opportunities for campus and public input. In response to several additional questions, the Salisbury University team agreed to provide written follow-up to USM Office staff.

The chair thanked President Lepre and the Salisbury University team for the presentation and reminded the committee that the item was presented for information only. She noted that the Facilities Master Plan will return to the Finance Committee at a future meeting for consideration and recommendation to the full Board, consistent with the Board's two-step review process. She further emphasized that approval of a facilities master plan does not constitute approval of specific projects or funding, which will continue to be reviewed and approved separately through the Board's capital and operating budget processes. Regent Fish invited committee members to share any additional feedback or concerns following the meeting so that the institution and USM Office staff may provide appropriate follow-up.

The Finance Committee received the item for information purposes.

2. University of Maryland, Baltimore: North Campus Vibrancy Initiative – West Lexington Corridor Development Project (action)

Turning to the next item, the chair welcomed President Jarrell, accompanied by Dr. Rhodes, chief business and finance officer and senior vice president; Mr. Hughes, chief enterprise and economic development officer and vice president; Mr. Bitner, deputy chief financial officer and vice president for finance and auxiliary services; Mr. Mowbray, director of real estate, planning, and space management; and Mr. Grooms, real estate project manager, to present a request for approval of the North Campus Vibrancy Initiative – West Lexington Corridor Development Project.

The chair noted that the request includes approval to proceed with a proposed development in the West Lexington Corridor through three related actions: entering into up to three 99-year ground leases with a private developer for the construction of market-based rental residential projects; master leasing up to 25,000 square feet of space from the developer to support future retail tenants and create a more vibrant, college-town environment; and contributing up to \$18.4 million in institutional funds toward the project. The university indicated that this institutional contribution is intended to incentivize and leverage at least \$263 million in private investment in support of broader placemaking and strategic priorities. The chair also noted that the proposed ground leases will require approval by the Board of Public Works. President Jarrell provided an overview of the initiative, noting that the university's facilities master plan identifies the need for additional development on the north end of campus. He briefly reviewed the project area before turning to members of his team. Mr. Hughes and Dr. Rhodes discussed the project's placemaking goals and development approach, including the university's partnership with a private developer and the shared responsibilities for infrastructure and site improvements. They explained that the university will reimburse Wexford for certain work while also directly undertaking portions of the project.

As reflected in the presentation, the project is designed to transform underutilized university parcels into a vibrant, mixed-use district, combining residential, retail, and public realm improvements and leveraging significant private investment to support long-term campus and community goals.

During the discussion, Regent McMillen asked about the risk to the university and the system if the project does not perform as anticipated. Dr. Rhodes explained that the university is not backstopping apartment leases and that Wexford will bear that responsibility. She stated that the university's risk is limited to the planned \$18.4 million contribution, much of which would likely have been invested in streetscape and related improvements in any event. She also noted that approximately \$17 million in deferred maintenance will be eliminated through the transfer of Pascault Row to Wexford.

Regent Hasan expressed support for the project and commented that it would be beneficial for the city to have a stake in the effort as well. He encouraged continued coordination and communication with the city regarding project impacts. Dr. Rhodes responded that the university has been in contact with the city. Regent Speaks remarked that the proposal is an exciting project for Baltimore and emphasized the importance of ensuring that the surrounding community benefits as well, including through minority business enterprise participation. Dr. Rhodes responded that the university always requires MBE participation and does not anticipate issues in that regard. She also noted that the housing will not be restricted to university affiliates and that the project is intended to create open and inviting spaces for the broader community, including recreation and athletic spaces.

Regent Mirani asked about parking, noting that the recreation area would be constructed on an existing surface parking lot and asking whether the project would create additional parking challenges. Mr. Mowbray responded that the project is planned with a 0.5 parking space ratio per two beds. He added that more than 50% of the units are anticipated to be occupied by members of the UMB community and that existing parking capacity, including post-pandemic vacancies, is expected to accommodate demand.

The Finance Committee recommended that the Board of Regents approve the West Lexington Corridor Development Project as outlined in the item, including UMB's contributions in the form of ground leases, infrastructure, public realm improvements and public art funding, and master lease obligations for ground floor retail spaces. It is further recommended that authority to execute the ground leases, retail space leases, development agreements, and all required documentation remain with the Chancellor following appropriate legal review, consistent with the University System of Maryland Policy on "Acquisition and Disposition of Real Property."

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

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

3. University of Maryland, College Park: General Purpose Classroom Renovations (action)

The Finance Committee considered a request from the University of Maryland, College Park for approval of a \$5 million project to renovate 16 general purpose classrooms located across multiple academic buildings on campus.

The chair welcomed Mr. Reuning, interim vice president and chief administrative officer, accompanied by Mr. Phillips, director of facilities planning; and Mr. Olen, executive director of the College Park service center, to present the item.

The chair noted that the project is intended to address existing deficiencies and modernize instructional spaces through updated finishes, energy-efficient lighting, new furniture, and replacement of outdated audiovisual equipment to meet current teaching standards. The classrooms collectively serve approximately 875 seats and have not undergone significant renovation in more than 15 years. The project is scheduled to begin in the summer and be completed in time for the start of the fall semester.

During the discussion, Regent Mirani asked whether the renovations would impact student access to classrooms. Mr. Phillips explained that the work is being coordinated to minimize disruption and is part of a broader effort to improve general purpose classrooms across campus. Regent Mirani noted that, based on student experience, many classrooms available to students are outdated. Mr. Phillips acknowledged this concern and indicated that the university is undertaking improvements across its inventory of general purpose classrooms. Regent Hasan asked about the use of rounded cost estimates in the project budget. Mr. Phillips explained that the estimates are based on recent project data, generally ranging from approximately \$160 to \$200 per square foot, and have been escalated to reflect current market conditions.

The Finance Committee recommended that the Board of Regents approve the University of Maryland, College Park General Purpose Classroom Renovations project as described in the item.

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

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

4. FY 2025 Audited Financial Statements and USM Financial Planning (information and presentation)

The Finance Committee received a presentation on the USM’s audited financial statements for the fiscal year ended June 30, 2025, and an overview of systemwide financial planning.

The chair recognized Ms. Denson, associate vice chancellor for financial affairs; Ms. Norris, director of financial planning and analysis; and Mr. Acton, director of financial reporting and comptroller, to present the item. The chair noted that the System received an unmodified, or clean, audit opinion.

Ms. Denson thanked the institutions for their collaboration in completing the audit on schedule. Mr. Acton provided an overview of the financial statements and supporting schedules included in the Finance Committee materials, including the implementation of new accounting standards and key balance sheet and operating results. He noted that, based on established financial metrics, the System remains in a strong financial position. As reflected in the materials, the System reported a decrease in unrestricted net position for fiscal year 2025, driven in part by state funding reductions, salary increases, and capital spending, while maintaining solid underlying financial strength and liquidity.

During the discussion, Regent Hasan asked about the increase in accounts receivable and whether those balances are expected to be recoverable. Mr. Acton responded that the majority of the reported accounts receivable is considered collectible. Regent Hasan also asked about the increase in pension-related liabilities. Mr. Acton explained that the reported net pension liability reflects the System’s share of the State’s pension liability as calculated under required accounting standards and increases annually as part of that methodology, while the System’s cash contribution remains relatively stable.

Ms. Norris provided an update on the System's upcoming bond issuance and noted that additional information would be available by the time of the full Board meeting. Regent Fish asked whether rating agency considerations have shifted in the current environment. Ms. Norris indicated that recent discussions with the credit rating agencies focused on federal funding considerations, including research funding. Chancellor Perman added that leadership stability is also an important factor in rating agency evaluations. Ms. Norris noted that overall evaluation factors remain consistent. Regent McMillen asked about the minimum and maximum debt service ratios used in financial planning. Ms. Norris explained how the ratio is calculated and how it is evaluated by rating agencies, noting that current levels remain within Board policy guidelines.

The Finance Committee received the item for information purposes.

5. University System of Maryland: Educational Overview of Procurement (information)

The Finance Committee received an educational overview of procurement across the USM. The chair noted that this item is the first in a series of educational presentations requested to provide additional context on key topics, particularly for newer members of the Board. Given the level of interest in procurement, the chair invited Mr. Hickey, associate vice chancellor for procurement and real property, to provide a brief overview.

Mr. Hickey provided a high-level overview of the System's procurement framework, including its statutory autonomy, governance structure, and key approval thresholds. He explained that the USM was granted procurement autonomy in 1999, exempting it from Division II of State procurement law while requiring adherence to Board policies designed to promote transparency, competition, and accountability. He noted that contracts exceeding \$5 million require approval by the Board of Regents and that certain contracts, including service and construction contracts exceeding \$1 million or those involving any amount of State funds, require approval by the Board of Public Works.

During the discussion, Regent Hasan asked about adherence to minority business enterprise requirements and how those State-established goals align with federal rules. Mr. Hickey explained that Maryland's Minority Business Enterprise program establishes aspirational participation goals, currently at 29%, rather than set-asides. For contracts exceeding \$100,000, a procurement review group evaluates opportunities for minority business enterprise participation and establishes realistic and achievable goals.

Regent Mirani asked about the prioritization of Maryland Correctional Enterprises and whether waivers from required participation are tracked, noting broader concerns about the program. Mr. Hickey explained that waivers have long been part of the procurement process and that approximately half of requested waivers are granted. He noted his role on the Maryland Correctional Enterprises council and offered to arrange a visit for Regent Mirani and other interested students, explaining that participants often gain a better understanding of the program's workforce development and rehabilitation mission.

The Finance Committee received the item for information purposes.

6. University System of Maryland: FY 2027 Operating Budget Update (information)

The Finance Committee received an update on the USM's fiscal year 2027 operating budget as presented in the Governor's Allowance. The chair noted that this item is one of two informational updates on the operating and capital budgets and invited Ms. Auburger, associate vice chancellor for budget analysis, to present the update.

Ms. Auburger provided a brief overview of the proposed fiscal year 2027 operating budget, including key components of the Governor’s Allowance. She noted that the System’s total operating budget is approximately \$7.9 billion and includes revenues from State appropriations, tuition and fees, auxiliary enterprises, and grants and contracts. The Governor’s proposal includes \$2.3 billion in State support, representing a modest increase over the prior year. She also highlighted \$32.5 million in HBCU funding and a \$25 million set-aside for research related to energy and climate.

The Finance Committee received the item for information purposes.

7. University System of Maryland: FY 2027 Capital Budget Update (information)

The Finance Committee received an update on the USM’s fiscal year 2027 capital budget as presented in the Governor’s Capital Improvement Program. The chair invited Mr. Beck, associate vice chancellor for capital planning, to present the update.

Mr. Beck provided an overview of the Governor’s fiscal year 2027-2031 Capital Improvement Program and highlighted key differences from the Board-approved capital request. He noted that the Governor’s five-year capital program totals approximately \$1.152 billion. Mr. Beck highlighted several additions to the capital program, including increased funding of nearly \$12 million to complete UMB’s Electrical Substation project; \$10.6 million to support TU’s Central Plant restoration project; and \$2 million for Coppin’s new residence hall, along with planning funds for Coppin’s new Tawes Academic and Student Services Center.

He also reviewed several deferrals and changes within the program. The start of renovation work for the Benjamin Building at UMCP was deferred by one year, as was design funding for the Adelphi Building renovation at UMGC and the Sondheim Hall renovation at UMBC. Construction funding was also deferred by one year for several projects, including TU’s Student Services project, FSU’s Cordts Physical Education Center renovation, UBalt’s Academic Center renovation, and UMCES’s Coastal Dynamics Laboratory project. In addition, acquisition funding for the 101 West Mt. Royal Avenue property at UBalt, which had been included in the prior year’s program, was not included in the current Capital Improvement Program.

Mr. Beck noted a significant change in the program, with an increase of approximately \$20 million per year in State-supported academic revenue bond funding. He explained that, if issued at this level, institutions would be responsible for the associated increase in debt service.

The Finance Committee received the item for information purposes.

8. University System of Maryland: Review of Capital Improvement Projects (information)

The Finance Committee was scheduled to receive a review of capital improvement projects; however, due to time constraints, the item was postponed to the April meeting.

9. Approval of Meeting Minutes from December 3, 2025 (action)

The Finance Committee considered approval of the minutes from its December 3 meeting.

The Chancellor recommended approval of the minutes.

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

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

10. Convening Closed Session

Regent Fish read the Convene to Close Statement.

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

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

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

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

Regent Fish thanked everyone for joining. The public meeting was adjourned at 4:51 p.m.

Respectfully submitted,

Ellen R. Fish
Chair, Committee on Finance



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS
COMMITTEE ON FINANCE

January 28, 2026
Meeting via Video Conference

Minutes of the Closed Session

Regent Fish called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session at 5:01 p.m. via video conference.

Regents participating in the session included: Ms. Fish, 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. Masucci, Mr. Sandler, Dr. Wrynn, Ms. Wilkerson, Assistant Attorney General Boyle, Assistant Attorney General Langrill, Assistant Attorney General Palkovitz, Assistant Attorney General Stover, Assistant Attorney General Marek, Mr. Chanen, Mr. Hickey, and Ms. McMann. Dr. Rhodes, Ms. Monger, Ms. Iacobellis, Mr. Gagnon, Mr. Eshleman, Mr. Bak, Mr. Palmer, Mr. Welsh, Mr. Webb, Mr. Lockett, Mr. Sergi, Mr. Patel, and Mr. Anasagasti also participated in part of the session.

1. The committee discussed the awarding of a contract for employer of record services (§3-305(b)(14)).
(Regent Fish moved recommendation, seconded by Regent Speaks; approved)
Vote Count = Yeas: 8 Nays: 0 Abstentions: 0
2. The committee discussed the awarding of a contract for marketing and advertising services (§3-305(b)(14)).
(Regent Fish moved recommendation, seconded by Regent Speaks; approved)
Vote Count = Yeas: 8 Nays: 0 Abstentions: 0
3. The committee discussed the awarding of a contract for IT service center services (§3-305(b)(14)).
(Regent Fish moved recommendation, seconded by Regent Speaks; approved)
Vote Count = Yeas: 8 Nays: 0 Abstentions: 0
4. The committee discussed the awarding of a contract for IT staff augmentation services (§3-305(b)(14)).
(Regent Fish moved recommendation, seconded by Regent McMillen; approved)
Vote Count = Yeas: 8 Nays: 0 Abstentions: 0
5. The committee consulted with legal counsel on legal guidance regarding paid family and medical leave, including statutory requirements and considerations related to existing and new Board policies (§3-305(b)(7)(8)). This item was presented for information purposes; there were no votes on this item.

The session was adjourned at 5:32 p.m.

Respectfully submitted,

Ellen R. Fish
Chair, Committee on Finance