



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS
COMMITTEE ON FINANCE

November 16, 2017
Universities of Shady Grove

Minutes of the Public Session

Regent Pevenstein called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:15 a.m. Regent Pevenstein read the *Convening in Closed Session statement* citing State Government Article Section 3-305 of the Open Meetings Act to discuss issues specifically exempted in the Act from the requirement for public consideration. Regent Pevenstein moved and Regent Brady seconded to convene in closed session. In response to the motion, the Committee members voted unanimously to convene in closed session at 10:15 a.m. for the reasons stated on the *Convening in Closed Session statement*. The session adjourned at 10:21 a.m.

The Committee reconvened in public session at 10:24 a.m. Regents participating in the session included: Mr. Pevenstein, Mr. Brady, Mr. Gossett (via phone), Mr. Holzapfel, Ms. Johnson, Mr. Neall, and Mr. Rauch (via phone). Also present were: Chancellor Caret, Mr. Vivona, Ms. Doyle, Mr. Neal, Assistant Attorney General Bainbridge, Mr. Colella, Ms. Rhodes, Ms. Schaefer, Ms. Aughenbaugh, Mr. Oster, Mr. Lockett, Ms. Rehn, Mr. Beck, Mr. Hickey, Mr. Page, Dr. Muntz, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

1. University of Maryland, College Park: 2017 - 2030 Facilities Master Plan Update

Mr. Colella, the University's vice president, presented a new update to the campus Master Plan. He noted that as an update, this version consisted mainly of technical adjustments. The Plan Update placed the campus in the context of the larger community, responding to issues of regional transportation, land use, the environment, and economic development. Mr. Colella spoke about the Discovery District, part of the Greater College Park Initiative, which stretches from the campus all the way down through the research park area. He pointed out that this district will be connected by the Purple Line.

Mr. Colella continued that the update builds on previous plans and is tied to the University's mission and Strategic Plan. It considers: the accomplishments, needs and aspirations of the University; its current and projected space deficits; future facilities' needs; and the constraints on funding. The Plan Update addresses three important themes favored by the Board in recent years: rebuilding of the physical plant, public participation in the process, and a focus on environmental sustainability. There were several specific questions from Board members during the meeting; these will be responded to at a later point by the University.

Regent Pevenstein thanked Mr. Colella for his presentation, and reminded everyone that the Master Plan update would be placed on the committee's January agenda for its consideration and approval.

The item was accepted for information purposes.

2. Opening Fall 2017 Enrollment and FY 2018 Estimated FTE Report

Dr. Muntz presented the fall enrollment report to the committee. As background, the report provides the overall headcount and FTE for each institution, and makes note of any changes or trends. Enrollment changes may impact revenue, resource usage, and institutional strategic goals.

Dr. Muntz indicated that the USM enrollment grew over last year. The institutions and regional higher education centers currently serve over 175,000 students. For budgeting purposes, there are over 131,000 (estimated) full-time-equivalent students. In the aggregate, the fall 2017 figures track with last year's enrollment projections and the budget estimate.

He stated that the smaller institutions that are facing enrollment challenges are not growing like the other campuses, pointing out that a few of the institutions are near or lower enrolled than they were just ten years ago. Dr. Muntz suggested that Maryland community college transfers should also be a focus for enrollment growth. If the community colleges decrease their enrollment and provide fewer transfers while at the same time smaller campuses are struggling to yield first-time undergraduates, the enrollment challenges will be difficult to overcome. UMUC (at nearly 60,000 students) and UMCP (coming in over 40,000 students) have been increasing the most and account for the majority of USM's growth. For the most part, first-time new undergraduates—the recent high school graduates—explain most of the increases and decreases.

Looking at the big picture, Dr. Muntz identified a pressing issue—only half of Maryland high school graduates stay in Maryland, which results in the State being a net exporter of students. In addition, a quarter of Maryland high school students do not continue on to higher education. To increase enrollment of first-time undergraduates either at USM institutions or at Maryland community colleges (potential future transfer students), institutions must consider strategies to either increase access to the less prepared students that do not typically attend higher education or win the competition for Maryland high school graduates that would have chosen out-of-state institutions.

The report was accepted for information purposes.

3. University of Baltimore: Assignment of Lease for the High Intensity Drug Trafficking Area Task Force from Mercyhurst University

Regent Pevenstein indicated that the University is seeking approval to execute a lease assignment from Mercyhurst University for the space occupied by the task force. The HIDTA taskforce was previously associated with UMCP's Center for Safe Solutions and has since transitioned to UB's Center for Drug Policy and Enforcement. The lease for the space is funded by a grant and does not involve University funds.

The Finance Committee recommended that the Board of Regents approve for the University of Baltimore to execute a lease assignment under the terms described in the item.

(Regent Gossett moved recommendation, seconded by Regent Johnson; unanimously approved)

4. University of Maryland, College Park: Amended and Restated Lease for Graduate Hills and Graduate Gardens Apartments

Regent Pevenstein indicated that the current lessee has made a substantial investment in terms of renovations under the existing lease arrangements and this restated lease presents an opportunity to change the financial allocation to the lessee, as well as provide the University with the option to terminate the lease prior to its potential renewal through 2092.

The Finance Committee recommended that the Board of Regents approve that the University execute the Amended and Restated Lease with Southern Management Corporation as proposed.

(Regent Pevenstein moved recommendation, seconded by Regent Gossett; unanimously approved)

5. University of Maryland, Baltimore County: Transfer of Maryland Economic Development Corporation Property to UMBC

UMBC is requesting approval to accept title and become the owner of the "UMBC South" property that the University has leased and occupied for the last twenty years. The property is currently owned by MEDCO. Now that the debt to purchase the building has been paid off, MEDCO and UMBC have agreed to a transfer of the property. Regent Pevenstein stated that it will be free of charge and the payment of rent will not continue after the transaction.

The Finance Committee recommended that the Board of Regents approve the acceptance of the gift of the Property from MEDCO, as described in the item.

(Regent Pevenstein moved recommendation, seconded by Regent Johnson; unanimously approved)

The meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance



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November 16, 2017
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Minutes of the Closed Session

Regent Pevenstein called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in closed session at 10:15 a.m. in the Multi-Purpose Room.

Regents participating in the session included: Mr. Pevenstein, Mr. Brady, Mr. Gossett (via phone), Mr. Holzapfel, Ms. Johnson, and Mr. Neall. Also taking part in the meeting were: Chancellor Caret, Mr. Vivona, Ms. Doyle, Mr. Neal, Assistant Attorney General Bainbridge, Mr. Beck, Mr. Hickey, Mr. Page, and Ms. McMann. Mr. Colella, Mr. Maginnis, and Ms. Skinner were present for the meeting.

1. The committee considered and unanimously recommended the acquisition of property in College Park (§3-305(b)(3)). (moved by Regent Pevenstein; seconded by Regent Holzapfel)

The meeting was adjourned at 10:21 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance