



UNIVERSITY SYSTEM
of MARYLAND

Board of Regents
Committee on Finance

March 26, 2020
Conference Call
AGENDA FOR PUBLIC SESSION

REVISED

Call to Order

Chairman Attman

1. University System of Maryland: Self-Support Charges and Fees for FY 2021 (action)
2. Proposed Amendment to USM VIII-2.01—Policy on Tuition (action)
3. Proposed Board of Regents Policy VIII-22.00—Policy on Service Contracts (action)
4. Salisbury University: Devilbiss Hall Mechanical System Replacement (action)
5. University of Maryland, Baltimore: Establishment of UM New Ventures Initiative, an Affiliated Business Entity for Development of Promising Early Stage Technologies (action)
6. University of Maryland, Baltimore: Institute of Human Virology (IHV) Building Exterior Upgrades (action)
7. University of Maryland, Baltimore: Delegation of Certain Real Property Acquisition Authority to the Chancellor (action)
8. University of Maryland, Baltimore: Dental Student Clinics Management Contract (action)
9. University of Maryland, College Park: Lease for Earth System Science Interdisciplinary Center (action)
10. University System of Maryland: Review of Construction Costs (information)
11. USM Enrollment Projections: FY 2021-2030 (information)
12. Convening Closed Session (action)



TOPIC: University System of Maryland: Self-Support Charges and Fees for FY 2021

COMMITTEE: Finance Committee

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The procedure for approving student-related tuition, fees, and charges is a two part process. This item involves the approval of room, board, and parking rates.

Proposed increases in the typical annual dormitory charge are listed below:

\$7,755 to \$8,064	4.0%	University of Maryland, College Park
\$5,758 to \$5,930	3.0%	Bowie State University
\$7,446 to \$7,632	2.5%	Towson University
\$5,514 to \$5,707	3.5%	University of Maryland Eastern Shore
\$5,274 to \$5,696	8.0%	Frostburg State University
\$5,985 to \$6,284	5.0%	Coppin State University
\$6,950 to \$6,986	0.5%	Salisbury University
\$7,234 to \$7,344	1.5%	UMBC

To accommodate the variation in the beginning dates of its academic programs, University of Maryland, Baltimore charges a daily rate. Their FY 2021 rate for a one-bedroom apartment will be \$38.52 (no increase is proposed). Frostburg’s increase is due to a multi-year plan to provide upgrades to the residence halls that have not been renovated and the construction of a new Residence Hall.

The percent increases for board range from an increase of 0% at University of Maryland Eastern Shore to an increase of 4.3% at Frostburg State University.

The Universities at Shady Grove has proposed a 10% increase in its student parking rates. The proposed increase is needed to generate additional revenue to pay for the increased debt service cost associated with the parking structure.

ALTERNATIVE(S): The expenditures planned for each self-supported activity are based on the revenue produced from the schedule of charges. A decrease in the charge structure would require a corresponding decrease in planned expenditures

FISCAL IMPACT: The proposed charges and fees are determined to be the amount required to produce the revenue for the individual activities to operate on a viable fiscal basis without accumulating a deficit or postponing required expenditures to a future year.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed self-support charges and fees for FY 2021 as set forth in the attachment.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

"NOTE: Notwithstanding any other provision of this or any other University System of Maryland publication, the University System of Maryland reserves the right to make changes in tuition, fees, and other charges at any time such changes are deemed necessary by the University System of Maryland institutions and the University System of Maryland Board of Regents."

**UNIVERSITY SYSTEM OF MARYLAND
ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2021**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u> \$	%
UMB				
ROOM AND BOARD				
HOUSING PER APARTMENT*				
PASCAULT ROW (Daily - includes utilities & fully furnished)				
EFFICIENCY	32.22	32.22	0.00	0.0%
1 BEDROOM	38.52	38.52	0.00	0.0%
2 BEDROOM-TOTAL	54.69	54.69	0.00	0.0%
2 BEDROOM-per person	27.34	27.34	0.00	0.0%
NEW RENOVATED PASCAULT ROW (Daily - includes utilities & fully furnished)				
EFFICIENCY	33.80	33.80	0.00	0.0%
1 BEDROOM	40.10	40.10	0.00	0.0%
2 BEDROOM-TOTAL	56.27	56.27	0.00	0.0%
2 BEDROOM-per person	28.92	28.92	0.00	0.0%
SPOUSE/DOMESTIC PARTNER (Flat Monthly Rate - includes utilities & fully furnished)				
EFFICIENCY	200.00	200.00	0.00	0.0%
1 BEDROOM	200.00	200.00	0.00	0.0%
2 BEDROOM-TOTAL	200.00	200.00	0.00	0.0%
2 BEDROOM-per person	200.00	200.00	0.00	0.0%
DAILY STORAGE RATE	9.20	9.20	0.00	0.0%
PARKING				
STUDENTS				
DAILY LEXINGTON GARAGE	6.00	6.00	0.00	0.0%
LEXINGTON MARKET ROOF-MONTHLY	45.00	45.00	0.00	0.0%
MARKET CENTER PER SEMESTER	180.00	180.00	0.00	0.0%
MARKET CENTER - YEARLY	360.00	360.00	0.00	0.0%

*A daily-only rate is to accommodate the variation in the beginning dates of the academic programs. Resident contracts are still for the semester or the year.

UMCP				
ROOM AND BOARD				
ROOM*	7,755	8,064	309	4.0%
BOARD (POINT PLAN)	4,760	4,880	120	2.5%
PARKING FEE -DRAFT				
STUDENT - RESIDENT	649	700	51	7.9%
STUDENT - COMMUTER	336	363	27	8.0%

*The rate for a standard double room is \$8,064. A surcharge may be applied for such items as a single room, a room with air conditioning, room with a private bath. A discount may apply for triple or quad rooms, double room without air conditioning or structural triple. See Appendix A for detail.

UNIVERSITY SYSTEM OF MARYLAND
ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2021

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u> \$	<u>%</u>
Bowie				
<u>ROOM AND BOARD</u>				
ROOM				
TOWERS				
DOUBLE	5,758	5,930	172	3.0%
SINGLE	6,195	6,381	186	3.0%
ALEX HALEY				
DOUBLE	6,775	6,979	204	3.0%
SINGLE	7,617	7,845	228	3.0%
QUAD	6,034	6,215	181	3.0%
TUBMAN & HOLMES				
DOUBLE	5,510	5,676	166	3.0%
SINGLE	5,981	6,161	180	3.0%
TRIPLE	4,945	5,093	148	3.0%
KENNARD				
DOUBLE	5,595	5,763	168	3.0%
SINGLE	6,065	6,247	182	3.0%
TRIPLE	5,016	5,166	150	3.0%
GOODLOE				
DOUBLE	6,535	6,731	196	3.0%
SINGLE	7,049	7,260	211	3.0%
*ENCLAVE Apartments (Temporary)	11,445	11,789	344	3.0%
BOARD				
GOLD 19 MEAL PLAN W/\$200 FLEX	4,700	4,880	180	3.8%
GOLD 14 MEAL PLAN W/\$225 FLEX	4,700	4,880	180	3.8%
GOLD 10 MEAL PLAN W/\$275 FLEX	3,850	3,998	148	3.8%
CMRC 5 MEAL PLAN W/NO FLEX (CMRC & Enclave Only)	1,680	1,745	65	3.9%
CMRC 5 MEAL PLAN W/\$100 FLEX (CMRC & Enclave Only)	1,880	1,945	65	3.5%
CMRC 7 MEAL PLAN W/NO FLEX (CMRC & Enclave Only)	2,300	2,388	88	3.8%
CMRC 7 MEAL PLAN W/\$150 FLEX (CMRC & Enclave Only)	2,600	2,688	88	3.4%
COMMUTER 100 PLAN W/\$200 FLEX	2,380	2,460	80	3.4%
COMMUTER 50 PLAN W/\$175 FLEX	1,360	1,400	40	2.9%
COMMUTER 25 PLAN W/\$140 FLEX	790	810	20	2.5%
SUMMER BLOCK 60 W/NO FLEX	535	556	21	3.9%
SUMMER BLOCK 30 W/NO FLEX	283	294	11	3.9%
<u>PARKING FEE</u>				
RESIDENT STUDENT	80	80	0	0.0%
COMMUTER	73	73	0	0.0%
COMMUTER SEMESTER ONLY	50	50	0	0.0%
MONTHLY	35	35	0	0.0%

*Rate includes transportation from/to College Park and Bowie State University

Note: CMRC stands for the Christa McAuliffe Residential Community

UNIVERSITY SYSTEM OF MARYLAND
ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2021

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u> \$	<u>%</u>
<u>Towson</u>				
<u>ROOM AND BOARD</u>				
ROOM				
DOUBLE	7,446	7,632	186	2.5%
SINGLE	8,756	8,974	218	2.5%
TOWER C 3 person room	5,956	6,106	150	2.5%
9 month HOUSING MULTIPLE	7,910	8,108	198	2.5%
9 month HOUSING SINGLE	9,302	9,534	232	2.5%
PREMIUM HOUSING - BARTON & DOUGLASS	8,652	8,868	216	2.5%
TOWSON RUN				
EFFICIENCIES - 1 BEDROOM	9,212	9,442	230	2.5%
EFFICIENCIES - 2 BEDROOM	8,708	8,926	218	2.5%
EFFICIENCIES - 4 BEDROOM	7,336	7,520	184	2.5%
APARTMENT - CARROLL & MARSHALL				
2 BEDROOM	10,610	10,876	266	2.5%
4 BEDROOM	10,402	10,662	260	2.5%
APARTMENT - MARRIOTT CONVERSION to 10 WEST				
Tier One, Floors 2 - 5, convenience kitchen, meal plan required	8,708	8,926	218	2.5%
Tier Two, Floors 6 - 15 with full kitchen	9,706	9,948	242	2.5%
Tier Three (apartments 1409 & 1509)	9,886	10,132	246	2.5%
BOARD				
FLEXIBLE 5 MEAL PLAN WITH \$400 ANNUAL FOOD POINTS	2,650	2,650	0	0.0%
FLEXIBLE 10 MEAL PLAN WITH \$100 ANNUAL FOOD POINTS	4,900	4,900	0	0.0%
FLEXIBLE 14 MEAL PLAN WITH \$100 ANNUAL FOOD POINTS	5,400	5,500	100	1.9%
FLEXIBLE 19 MEAL PLAN WITH \$100 ANNUAL FOOD POINTS	6,000	6,100	100	1.7%
FLEXIBLE 21 MEAL PLAN WITH \$100 ANNUAL FOOD POINTS*	0	6,500	N/A	N/A
FLEXIBLE UNLIMITED MEAL PLAN WITH \$100 ANNUAL FOOD POINTS	6,400	6,400	0	0.0%
BOARD				
BLOCK 25 MEAL PACKAGE WITH \$75 IN FOOD POINTS	395	395	0	0.0%
BLOCK 50 MEAL PACKAGE WITH \$75 IN FOOD POINTS	650	650	0	0.0%
BLOCK 75 MEAL PACKAGE WITH \$75 IN FOOD POINTS	885	885	0	0.0%
BLOCK 100 MEAL PACKAGE WITH \$75 IN FOOD POINTS	1,100	1,100	0	0.0%
<u>PARKING FEE</u>				
STUDENTS	370	370	0	0.0%
SEMESTER/STUDENT	212	212	0	0.0%
*New meal plan				
<u>UMES</u>				
<u>ROOM AND BOARD</u>				
ROOM				
TRADITIONAL DOUBLE	5,514	5,707	193	3.5%
TRADITIONAL SINGLE	6,422	6,647	225	3.5%
APARTMENT SINGLE (Non-Efficiency)	6,482	6,709	227	3.5%
TRADITIONAL DOUBLE (Semi-Private Bath)	5,670	5,868	198	3.5%
APARTMENT SINGLE (Efficiency)	6,695	6,695	0	0.0%
APARTMENT SINGLE PRIVATE BATH (Efficiency)	6,883	6,883	0	0.0%
APARTMENT SINGLE LEASE (Efficiency & Laundry)	7,071	7,071	0	0.0%
HAWK PLAZA - APARTMENT EFFICIENCY SINGLE	7,260	7,260	0	0.0%

**UNIVERSITY SYSTEM OF MARYLAND
ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2021**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u> \$	<u>%</u>
<u>UMES (cont.)</u>				
BOARD				
19 MEAL PLAN WITH \$150 ANNUAL FOOD POINTS	4,571	4,571	0	0.0%
14 MEAL PLAN WITH \$150 ANNUAL FOOD POINTS	4,341	4,341	0	0.0%
10 MEAL PLAN WITH \$150 ANNUAL FOOD POINTS	3,542	3,542	0	0.0%
5 MEAL PLAN (COMMUTERS ONLY)	1,805	1,805	0	0.0%
<u>PARKING FEE</u>				
STUDENTS	60	60	0	0.0%
<u>Frostburg</u>				
<u>ROOM AND BOARD</u>				
ROOM				
DOUBLE				
PLAN 1 (Allen, Diehl, Gray, Simpson, Sowers)*	5,274	5,696	422	8.0%
PLAN 2 (Frederick, Westminster, Annapolis)*	5,404	5,838	434	8.0%
SINGLE				
PLAN 1 (OLDER DORMS)**	6,978	0	N/A	N/A
PLAN 3 (Cumberland, Frost)	7,574	8,180	606	8.0%
New Resident Hall - Two Single Room Suites***	0	9,350	N/A	N/A
New Resident Hall - Four Single Room Suites***	0	8,650	N/A	N/A
New Resident Hall - One Private & One Share - Single***	0	8,350	N/A	N/A
New Resident Hall - One Private & One Share - Double***	0	6,400	N/A	N/A
BOARD				
15 MEALS WITH \$50 FLEX	5,384	5,618	234	4.3%
GOLD PLAN UNLIMITED WITH \$200 BONUS BUCKS	5,018	5,236	218	4.3%
SILVER 19 PLAN WITH \$100 BONUS BUCKS	4,676	4,878	202	4.3%
14 MEALS WITH \$125 FLEX	5,384	5,618	234	4.3%
14 MEALS PER WEEK, \$100 BONUS BUCKS	4,482	4,676	194	4.3%
12 MEALS PER WEEK, \$250 BONUS BUCKS	4,652	4,854	202	4.3%
<u>PARKING FEE</u>				
STUDENTS - COMMUTER	40	40	0	0.0%
*3rd year of a 4-year planned increase for renovations approved by the Board of Regents on March 29, 2018				
** Single Plan 1 to be eliminated				
*** New Resident Hall to come on line in Fall 2020				
<u>Coppin</u>				
<u>ROOM AND BOARD</u>				
ROOM				
TRIPLE				
	4,596	4,826	230	5.0%
DOUBLE				
	5,985	6,284	299	5.0%
SINGLE				
	6,274	6,588	314	5.0%
BOARD				
BRONZE ANYTIME DINING PLAN (\$75 DINING \$s)	4,364	4,539	175	4.0%
SILVER ANYTIME DINING PLAN (\$150 DINING \$s)	4,546	4,728	182	4.0%
GOLD ANYTIME DINING PLAN (\$200 DINING \$s)	4,670	4,857	187	4.0%
<u>PARKING FEE</u>				
STUDENTS	68	71	3	4.4%
<u>University of Baltimore</u>				
<u>PARKING FEE</u>				
STUDENTS - semester - unlimited parking	299	299	0	0.0%

**UNIVERSITY SYSTEM OF MARYLAND
ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2021**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
Salisbury				
ROOM AND BOARD				
ROOM (9 month)				
SINGLE				
APARTMENT STYLE (DV)	7,420	7,420	0	0.0%
APARTMENT STYLE (SG 4x2)	8,100	8,340	240	3.0%
SUITE (NA, MK, PO, WI)	8,020	8,200	180	2.2%
SUITE (St. Martin)*	7,200	0	N/A	N/A
APARTMENT STYLE (GV) 3 bedroom x bath**	6,800	7,500	700	10.3%
DOUBLE				
APARTMENT STYLE (CP)	6,950	6,986	36	0.5%
SUITE (NA, MK, PO, WI, CR, CK, SV)	7,160	7,376	216	3.0%
SUITE (St. Martin)	6,500	6,600	100	1.5%
ROOM (9 month)				
TRIPLE				
SUITE (CR, CK, SV)***	5,800	6,200	400	6.9%
ROOM (12 month)				
1 BEDROOMS & 1 BATHROOMS	9,020	9,200	180	2.0%
2 BEDROOMS & 2 BATHROOMS	8,970	9,200	230	2.6%
4 BEDROOMS & 4 BATHROOMS	8,910	9,200	290	3.3%
4 BEDROOMS & 2 BATHROOMS	8,530	8,700	170	2.0%
2 BEDROOMS & 1 BATHROOMS	8,580	8,750	170	2.0%
BOARD				
ALL ACCESS (Unlimited meals in the Commons, \$400 dining dollars, 4 guest passes/semester)****	0	5,100	N/A	N/A
EVERYTHING (includes \$250 dining dollars per semester)*****	5,200	0	N/A	N/A
200 MEALS Block (200 meals+\$400 dining dollars per semester)*****	4,800	0	N/A	N/A
125 MEALS Block (125 meals+\$350 dining dollars per semester)	3,400	3,500	100	2.9%
75 MEALS Block (75 meals+\$300 dining dollars per semester)	2,300	2,400	100	4.3%
45 MEALS Block (45 meals+\$100 dining dollars per semester)	1,250	1,300	50	4.0%
PARKING FEE				
STUDENTS	75-110	75-110	0	0.0%

*Suite (St. Martin) single option to be eliminated

** Global Village is an off-campus housing option primarily for international and transfer students. SU has no ownership in the complex, but does include the rental fees on student bills. The lease is reviewed and signed annually. FY21 will be the second year for this contractual arrangement. The increase is due to increased owner costs.

*** The triple room is significantly larger than the double room and has a private bathroom. The rate for these rooms is increasing to recognize the the added benefits this living arrangement provides relative to the price of a double occupancy room. There are only 45 (15 rooms) in this configuration.

**** Re-named ALL ACCESS from EVERYTHING

***** EVERYTHING option and 200 MEALS PLUS \$400 dining dollars meal plans to be eliminated

UMBC

ROOM AND BOARD

ROOM				
RESIDENCE HALLS	7,234	7,344	110	1.5%
RESIDENCE APARTMENTS AND SUITES (9 MONTH)	7,500	7,764	264	3.5%
RESIDENCE HALLS (9 MONTH)	7,500	7,764	264	3.5%
RESIDENCE HALLS TRIPLE/QUAD	5,092	5,170	78	1.5%

**UNIVERSITY SYSTEM OF MARYLAND
ADJUSTMENTS TO SELF-SUPPORT CHARGES AND FEES FOR FY 2021**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
<u>UMBC (cont.)</u>				
BOARD				
UNLIMITED MEAL PLAN	4,766	4,888	122	2.6%
SAVVY 16	4,766	4,888	122	2.6%
TERRIFIC 12	4,116	4,220	104	2.5%
SUPER 225	4,310	4,438	128	3.0%
FLEXIBLE 14 MEAL PLAN	5,208	5,342	134	2.6%
FLEXIBLE 10 MEAL PLAN	4,370	4,482	112	2.6%
<u>OTHER AUXILIARY FEES</u>				
NETWORK AND COMMUNICATION FEE				
ALL COMMUNITIES	350	350	0	0.0%
 <u>USM THE UNIVERSITIES AT SHADY GROVE</u>				
<u>PARKING FEE</u>				
STUDENTS:				
Annual student rate (8/1/19 - 8/20/2020)	240.00	264.00	24.00	10.0%
Winter only (Effective 12/1/19 - 1/26/2020)	60.50	66.55	6.05	10.0%
Spring/Summer (Effective 1/1/20 - 8/20/2020)	120.00	132.00	12.00	10.0%
Summer only (Effective 5/1/20 - 8/20/2020)	60.50	66.55	6.05	10.0%

**UMCP
Room Fee Structure Detail**
(in \$ unless noted)

	Traditional w/out AC		Traditional with AC		New Traditional		Semi-Suite		Suite		Apartment	
	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20</u>	<u>FY 21</u>
Singe w/Bath			10,055	10,445	10,404	10,818			10,520	10,939	11,063	11,503
Double As Single	8,653	9,128										
Single	8,653	8,997	8,905	9,259	9,254	9,622			9,370	9,743	9,913	10,308
Double w/Bath			8,905	9,259	9,254	9,622	8,337	8,669	9,370	9,743	9,913	10,308
Double	7,503	7,802	7,755	8,064	8,104	8,427			8,220	8,547	8,763	9,112
Double requires Bunked Beds	6,565	6,836	6,786	7,056					7,193	7,479	7,668	7,973
Structural Triple/Quad w/Bath	7,903	8,218	8,130	8,464								
Structural Triple/Quad	6,753	6,835	6,980	7,258					7,398	7,692	7,887	8,201
Flex Triple/Quad	6,378	6,632	6,592	6,854		7,163			6,987	7,265	7,449	7,745

Notes:

Standard Room Rate = **\$ 8,064**

New rate **\$ 7,163**

Red print indicates the proposed FY 21 room fee is less than the FY 20 standard room fee (\$7,755 traditional double with air conditioning)

AC = air conditioning



UNIVERSITY SYSTEM
of MARYLAND

**Student Involvement Process
FY 2021 Self-Support Fees and Charges**

University of Maryland, Baltimore

The campus wide Student Fee Advisory Board met on October 3, 2019. At this meeting, the committee discussed the role of the board and reviewed the mandatory fees. The next meeting, November 7, 2019 was scheduled. At the November 7 meeting, the board was advised that there were no proposed fee increases.

Student Attendees: Jenny Afkinich, Mitchell Belkin, Marisa Booth, Laura Bozzi, Kathryn Meader, Serban Negoita, Pinky Shah, Jerrin Thomas

University of Maryland, College Park

1. Room Rates

The Directors of Resident Life and Residential Facilities engage the Residence Hall Association (RHA) and their respective advisory groups (ReLATE and ReFAB) in a review of the student fee proposal annually. The Directors present the fee request to the 54-member RHA Senate normally in the month of January and respond to any questions or concerns at that meeting. The Directors will then meet with ReLATE and ReFAB to further discuss the fee request and gain feedback. The advisory groups will develop a resolution for the RHA Senate meeting normally scheduled in the month of February.

The two advisory groups, ReLATE and ReFAB, develop a resolution for RHA regarding the proposed fee increase. The RHA Senate then votes on whether they endorse the fee request. Adjustments to the fees can be made at any time during the process.

2. Board Rates

The first step of the budget vetting process begins with the Dining Services Advisory Board (DSAB). DSAB is the Resident Hall Association's (RHA) standing committee on dining issues. During one of the regularly scheduled fall semester meetings, observations about general market conditions are shared by Dining Services and there is a review of the general trends in revenue and expenses for the department. During this meeting, Dining Services shares its preliminary estimate of the expected increase in the board rate.

The second step of the budget vetting process occurs when the Director of Dining Services presents the proposed budget to the 54-member RHA Senate and responds to the questions and concerns raised.

The third and final step in the process is for the Director to meet with DSAB again in the spring semester to answer any additional questions about the proposal. The advisory board then develops a resolution for RHA regarding the fee increase and the RHA Senate then votes on whether they endorse the fee request or not. Adjustments to the fees can be made at any time during this process.

3. Parking Fees

The first step of the Department of Transportation Services (DOTS) budget vetting process is an ad hoc student leadership information session in order for DOTS and the student leaders to begin a dialog of concerns and issues related to the DOTS budget. These student leaders include members of the Student Government Association, Graduate Student Government and the Residence Hall Association.



UNIVERSITY SYSTEM
of MARYLAND

The next step is to bring a draft of the proposed budget to the Campus Transportation Advisory Committee (CTAC). This is a Campus Senate appointed committee with representation from all members of the campus community. CTAC reviews the budget and ultimately makes their final recommendations to DOTS and the Vice President for Administration and Finance.

Bowie State University

On November 22, 2019, the Vice President for Administration and Finance, Assistant Vice President, Vice President for Student Affairs, Assistant Budget Director and representatives from various divisions met with the executive board members of Student Government Association (SGA) and Graduate Student Association (GSA) to discuss the proposed FY 2021 Tuition, Mandatory and Self-Supporting fee increases. During the meeting, students were able to review, pose questions and comment on the proposed fees prior to the upcoming University Council meeting.

On December 10, 2019, the FY 2021 proposed Tuition, Mandatory and Self-Supporting fees were shared and discussed in detail with University Council, a shared-governance advisory board to the President. This group is comprised of membership from students, faculty and staff. The student leaders included on the University Council are the presidents and vice presidents of SGA, GSA and/or his/her designee. The University Council considered the input from each of the shared-governance groups and submitted the proposed fees along with any revisions to the President for final review and approval, prior to submission to USM for BOR approval.

Towson University

The Vice President for Administration and Finance, the Athletic Director, the Associate Vice President for Auxiliary Services and Financial Affairs, the Assistant Vice President for Housing and Residence Life, the Undergraduate SGA President and the Director of Information Technology Support Center for the Office of Technology Services presented to the SGA and the campus community what the existing rates covered and the reasons for any rate increases for FY 21. The students asked questions about the rates, why a dormitory was being renovated and further questions about what their payments covered.

University of Maryland Eastern Shore

Mr. Lester Primus, Vice President for Administration and Finance and Mr. Hans Cooper, Vice President for Enrollment Management and Student Engagement met with the Student Government Association President, Kennera Goodman and several other students to discuss room and board fees. There was discussion on renovations and repairs needed on the residence halls to include painting, furnishings, carpeting and some exterior maintenance. The students were receptive to a 3.5% increase in traditional housing and no increase in single housing.

The students were advised that the University Food Service vendor Thompson Hospitality was contractually seeking a 3% increase in the board fee. Mr. Primus had a conversation with Thompson Hospitality and a 1.9% increase was proposed. The students expressed their concerns and do not feel that there should be an increase at this time. They feel the university may lose more students on the meal plan if we increase the board fee. Therefore, it was agreed that there would be no increase to the board.



UNIVERSITY SYSTEM
of MARYLAND

Attendees: Mr. Lester Primus, Mr. Hans Cooper, Mrs. Latoya Jenkins, Mr. Marcel Jagne-Shaw, Ms. Beatrice Wright, Kennera Goodman, Desmond McCullough, Jose Garcia, Najai Blanding, Max Boston, Michael Browgden, Danielle Davis

Frostburg State University

The President, Vice President for Student Affairs, Vice President for Administration & Finance and the Assistant Vice President for Administration & Finance met with representatives from FSU's Student Government Association in February 2020 to discuss the room & board rates for FY2021. Students were informed of the justifications for the increases (increased personnel costs due to cola/fringes, increased utilities, normal inflation and food service vendor costs). The additional increase in the room rates is partially for upgrades to the existing residence halls which are currently in progress (prior Board of Regents approval) and for the new residence hall.

Coppin State University

The Office of Student Activities and Leadership met on February 11, 2020 to discuss student fees. At this meeting the group discussed the reason for the room increase (updating elevators, bathroom improvements, upgrading furniture); the reason for the board increase (equipment upgrade, Einstein Bagels will be renovated to become full service); and the parking increase (reconstructing the parking lot to increase parking, maintenance, and overflow for residential students next to Talon). The Student Government Association approved the fee increases.

Attendees include: Vice President Essence Vinson, Chief of Staff Da'Nai Bennett, Business Manager Alexis Sullivan, Ihsan Mujahid, Sherita Jordan, Reginald Love, Thomas Dawson

Salisbury University

On February 9th, the Vice President of Administration and Finance, Marvin Pyles, attended and presented to the SGA Forum (consisting of representatives from all recognized student groups). He also attended and presented to the SGA Executive Committee Meeting on February 12th. Both meetings were to discuss the proposed FY21 tuition and fee schedule. The Vice President of Student Affairs, Dane Foust, was also in attendance. The students were presented with a detailed overview of the entire proposed schedule, which included a 2% increase in undergraduate in-state tuition and a 4.5% increase in undergraduate out-of-state tuition. The overview also covered other self-support fees, such as room and board rates.

SGA members were provided the opportunity for questions and comments on the overall budget and rate proposals for next year. Questions regarding the discontinuation of the 200+ meal plan option and the student activity fee prompted further discussion. Based on questions and subsequent discussion with the SGA Executive Committee, and an article in the school newspaper highlighting the change, The Flyer, it was determined that the elimination of the 200+ meal plan was acceptable. Discussions regarding the student activity fee are continuing with an expected resolution in the coming weeks. No other specific concerns were expressed by the members in attendance regarding the proposed increases to tuition, mandatory fees and self-support fees.



UNIVERSITY SYSTEM
of MARYLAND

UMBC

On February 12, 2020, leadership from Residential Life met with the Resident Student Association (RSA) to present the proposed increases in room and board rates. Approximately 25 students attended the meeting, including RSA officers, individual hall representatives, and other students. Students were advised that the proposed room rates were based on wage increases, anticipated utility rate increases, capital construction projects, and building the reserve fund. The proposed board rates are tied to an increase in the Consumer Price Index for "food away from home." The students offered comments, asked questions and provided feedback. Feedback was shared with stakeholders. Overall, students sought to understand the rationale for the proposed increases but did not express objections.

The Universities at Shady Grove

USG met with the Undergraduate Student Council on Tuesday, February 25th to review the use of fees at USG and a proposed rate for the coming year. The students expressed their concerns for the 10% increase and requested a future meeting with the Student Council advisor on the subject.



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Proposed Amendment to USM VIII-2.01—Policy on Tuition

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: During the past few years, three USM institutions have been granted an exception to the Board Policy on Tuition-VIII 2.01 as permitted in Section II.B.1 of the policy. This exception allows the university to charge a tuition differential for select high-cost undergraduate academic programs. Each institution’s proposal included expected outcomes following the full implementation of the differential tuition phased-in practice. During the discussion and consideration of these requests, several Regents voiced their interest in the reporting of outcomes based on the institutions’ requests. The proposed amendment seeks to codify the Board’s reporting expectation.

The following paragraph will be added to the end of Section IV. Required Reports:

“To provide the necessary accountability to the Regents and the State, each president of an institution with undergraduate differential tuition for approved undergraduate academic programs will be required to provide an annual report by October 1 of each year, in a format prescribed by the Chancellor. For each approved academic program with differential tuition, the report will include baseline data prior to implementation and the most recent five-year trend following implementation for all expected outcomes included in the institution’s proposal. The verifiable outcomes may include, but are not limited to, revenue increases directed to institutional aid, increased enrollment, new faculty hires, revenue directed to salary increases, any student socioeconomic or demographic shifts, and changes in student success. The institution will comment on any negative outcomes, unexpected changes, and required adjustments. The report shall be accompanied by a copy of the currently applicable institutional policy and/or guidelines published for the students.”

The full text of the policy is available on the USM website:

<https://www.usmd.edu/regents/bylaws/SectionVIII/VIII201.pdf>

ALTERNATIVE(S): The Committee could choose to recommend that the Board not approve the proposed policy amendment or could recommend alternatives to the proposed amendment.

FISCAL IMPACT: None.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed amendment to the policy.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Proposed Board of Regents Policy VIII-22.00—Policy on Service Contracts

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: In 2015 and again in 2016, the General Assembly adopted statutory language requiring that institutions undertake certain steps, including notification of employees affected, in situations where an institution seeks to outsource current university jobs or positions. The legislation also requires the Board of Regents to adopt a policy which establishes requirements consistent with the legislative language, to the extent practical.

The proposed policy applies to circumstances where the activity to be outsourced is to be acquired under a procurement process, and where the activity is to be performed on university-operated facilities.

The arrangements in the policy have been tailored from the legislative requirements to provide institutions slightly more flexibility, while satisfying the spirit of the law.

ALTERNATIVE(S): The Committee could choose to recommend that the Board not approve the proposed policy or could direct that another approach be taken to adopt the legislative language to the extent practical.

FISCAL IMPACT: No fiscal impact is envisioned.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the Board of Regents Policy VIII-22.00—Policy on Service Contracts, as presented.

COMMITTEE RECOMMENDATION: _____ DATE: _____

BOARD ACTION: _____ DATE: _____

SUBMITTED BY: Ellen Herbst (301) 445-1923

USM Bylaws, Policies and Procedures of the Board of Regents



VIII-22.00 POLICY ON SERVICE CONTRACTS

(Approved by the Board of Regents on , 2020)

I. PURPOSE AND APPLICABILITY

A. The purpose of this policy is to:

1. Articulate the USM's preference to use institution employees to continue providing institution services, unless the use of an external service contract is justified by cost or other reasons that cannot be addressed through alternative means; and
2. Minimize disruption to current employees in the event that an institution determines the need to enter into an external service contract.

B. Applicability

1. The policy applies to any contract for \$100,000 or more that:
 - a. Is defined as a "service contract" in the USM Procurement Policy and Procedures, (VIII-3.00);
 - b. Would result in one or more USM institution employees losing their employment; and
 - c. Would provide for services performed at USM institution-operated facilities.
2. The policy is not applicable to contracts for temporary employment or other short-term service contracts for which there are no currently funded or occupied employee positions. The policy does not impact institutional decisions to procure services, or to hire new employees to perform functions not currently performed by institution employees.

II. SERVICE CONTRACT PROPOSAL

A. Review of Proposal

1. At least 60 days before advertisement of a solicitation for a service contract, the institution shall share a written proposal to use a service contract with:
 - a. Potentially affected employees, including the exclusive representative as appropriate; and
 - b. The Chancellor.

USM Bylaws, Policies and Procedures of the Board of Regents

2. At the request of the Chancellor or the employees, the institution will meet to discuss the proposal.
 3. At the Chancellor's discretion, a proposal also may be brought to the Board of Regents for its review.
- B. Content of Proposal. Each proposal shall include:
1. A description of the work to be done under the service contract;
 2. The justification for proposing a service contract, including, as appropriate:
 - a. Reasons why the Services cannot reasonably be performed effectively by institution employees (e.g., conflict of interest, emergency need, services incidental to a real or personal property acquisition);
 - b. Estimated cost savings, including a comparison of the costs of using USM employees versus entering into a service contract.
 - c. Other benefits of the service contract, including the business needs that the service contract will meet.
 3. An explanation of the steps that the institution has taken to consider alternatives to the service contract.
 4. The institution's plan of assistance for employees affected by the service contract, including:
 - a. Efforts to place employees within the institution or USM;
 - b. Service contractor provisions for hiring displaced employees; and
 - c. Other measures to minimize the impact of the service contract on affected employees.

III. POLICY IMPLEMENTATION

- A. Nothing in this policy shall abrogate other requirements for review of procurement matters by the Board of Regents.
- B. The Chancellor will develop procedures for the review of service contract proposals under Section II(A) of this policy.



TOPIC: Salisbury University: Devilbiss Hall Mechanical System Replacement

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: Salisbury University requests approval to design and construct an \$8.0 million project to completely replace the heating, ventilation, and air conditioning systems in its oldest science building, Devilbiss Hall. The building was built in 1967 and renovated in 2003 after the Henson Science Hall was built. Over time, individual mechanical system components have been replaced on an as needed basis, however no comprehensive replacement has occurred.

The building’s heating and cooling piping has reached the point where it can no longer be patched and repaired. The unit ventilators are no longer manufactured and parts are expensive and difficult to come by. This project would address all of these issues and provide a more energy efficient, comfortable space for building occupants.

This project would be phased to minimize impact to instructional spaces within the building and modular offices, classrooms, and labs would be provided for the duration of the project for those spaces affected.

	Original
Date	2/5/2020
Stage of Estimate	Budget
Design/Fees	\$640,000
Construction Costs	\$6,400,000
General Contingency (10%)	\$640,000
Added Contingency (5%)	\$320,000
Project Total	\$8,000,000

ALTERNATIVE(S): Salisbury University would otherwise not complete the system replacement at this time and would repair system components as needed on an emergency basis.

FISCAL IMPACT: \$8.0 million of University General Auxiliary Funds will be used to pay for this project.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for Salisbury University the Devilbiss Hall Mechanical System Replacement project, as described.

COMMITTEE RECOMMENDATION:

DATE:

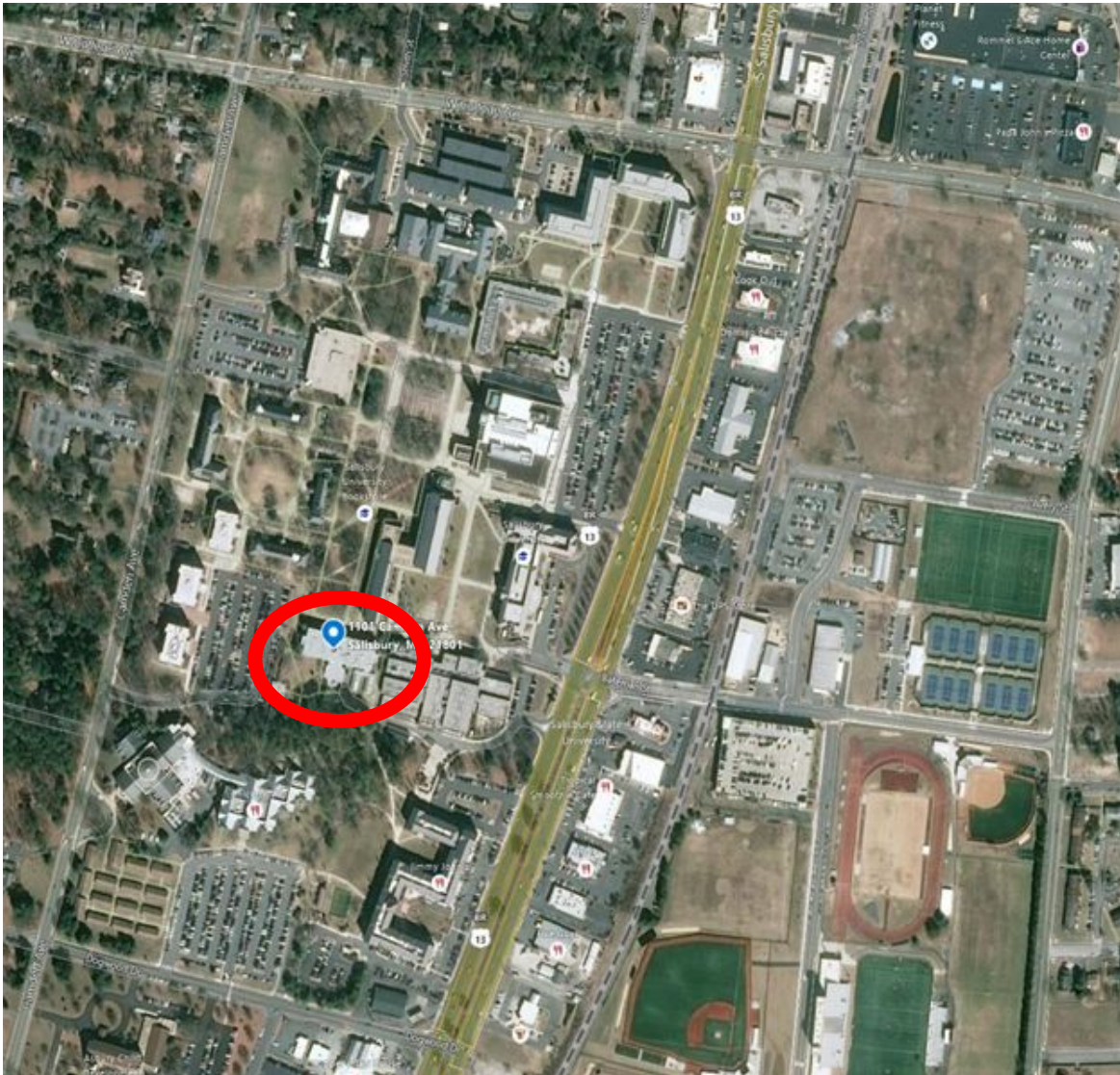
BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

Project Location Map:

Salisbury University: Devilbiss Hall Mechanical System Replacement



**BOARD OF REGENTS**SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University of Maryland, Baltimore: Establishment of UM New Ventures Initiative, an Affiliated Business Entity for Development of Promising Early Stage Technologies

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The University of Maryland, Baltimore (“UMB”) requests Board recognition of a limited liability company to be established by UMB as an affiliated business entity as described in Section 12-113, Education Article, and USM Policy VIII-13.00. The business entity, UM New Ventures Initiative, LLC (“NVI”), will develop commercialization of promising early stage technologies owned and/or managed by UMB and licensed or optioned to NVI for early stage development. UMB will wholly own NVI.

UMB anticipates that two to four technologies a year will be developed by NVI. NVI, as a small business, will be eligible to apply for federal and private support not available to UMB. Objectives of NVI will include proof of inventive concepts and positioning UMB technologies to be favorably evaluated by investors in negotiations with sources of private and business capital who will commit to rely upon the UMB technologies to start new businesses or business lines in Maryland. The early stage development work should result in improved UMB leverage in negotiations related to the technologies developed through NVI efforts. When the licensed or optioned technologies have matured, NVI will recommend either to return the technology to the general pool of UMB technologies or to create an NVI startup to assume control of the NVI technology.

The UMB President will approve the appointment or election of initial managers of NVI. (Managers, for LLCs, have governance responsibilities similar to those of directors of incorporated business entities.) Initially the LLC will have three managers, including UMB personnel having knowledge of relevant intellectual property development business issues. Any UMB administrators and faculty who are managers or officers of NVI will hold their positions subject to UMB’s designation and will obtain any needed State Ethics Law exemptions from UMB or from the State Ethics Commission. UMB administrators and faculty will not receive compensation from NVI or have ownership interests in NVI. NVI will not compete with UMB.

UMB’s Senior Vice President for Enterprise and Economic Development will have responsibility for implementation and oversight of NVI, and will be one of the initial managers.

ALTERNATIVES: UMB could continue to license promising early stage technologies without investing in technology development before licensing activities are undertaken. This would leave UMB in a weakened bargaining position.

FISCAL IMPACT: UMB will allocate funds from technology licensing revenues and economic development grants to set up and operate NVI. NVI is expected to generate grant and licensing revenues sufficient to pay its costs within two years. Positive impacts from increased licensing revenues are expected, but cannot be estimated at this time.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents delegate to the Chancellor the authority to recognize NVI as an affiliated business entity of the University of Maryland, Baltimore, after review of conflict of interest management arrangements, approvals by the State Ethics Commission as required and organizational documents such as articles of incorporation and by-laws by the University System Office and the Attorney General's office as described in Section 12-113 of the Education Article and Board of Regents Policy VIII-13.00 Policy on Business Entities. The University will be expected to provide any proposed changes to the organizational documents to the System Office and the Office of the Attorney General for review, comment and approval, before adoption.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University of Maryland, Baltimore: Institute of Human Virology (IHV) Building Exterior Upgrades

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The University is seeking Board approval of a \$6.55 million project to make repairs to the exterior of the Institute of Human Virology (IHV) Building. The IHV building is a six story cast in-place reinforced concrete structure with a steel framed penthouse. In 1996, the building underwent a limited repair and brick masonry infill replacement, cleaning and painting of exposed structural framing. Since then, the building has had numerous issues associated with water infiltration at the roof, penthouse and parapet walls.

The proposed scope of the work is based upon a 2017 building envelope evaluation which called for the replacement of membrane roofs, gutter systems, downspouts, and substantial façade upgrades. Insurance claims have been used in last 10 years to make limited repairs, however the insurance provider is no longer covering claims related to these defects. In accordance with policy, this project initially received approval in December 2018 from the Vice Chancellor for Administration and Finance for \$4.3 million. However, the bids have come back well above estimated costs. USM Policy requires projects in excess of \$5 million to be approved by the Board.

Budget Summary:

	Original 12/18 (Budget Est.)	Revised 3/20 (Bid Costs)
Design	n/a	\$ 450,000
Construction	n/a	\$5,600,000
Contingency	n/a	\$ 500,000
Total	\$4,300,000	\$6,550,000

The Work of the Project as defined by the Contract Documents consists of the following major components:

1. Repair and replacement of masonry elements on the exterior in order to mitigate moisture infiltration. Replacement of interior framing and finishing due to water infiltration. Treatment of exterior exposed concrete slabs and columns. All exterior joints and sealants to be replaced at masonry joints and at all windows. All head and sill flashing to be removed and new flashing installed.
2. Masonry veneer modifications & restoration to address structural deficiencies in the masonry veneer as identified within the scope documents. This work will include improvements to the backup wall systems behind the masonry veneer, where deficiencies have been identified.

3. Existing membrane roofs are to be demolished down to the deck and replaced. New flashing at parapet walls, roof penetrations, and mechanical units. Roof work includes replacement of overflow drains and scuppers and gutter system. Partial removal of existing metal roof to install new gutter and downspout system while maintaining remaining metal roof warranty.
4. Interior work includes new architectural finishes in offices and stairs that have sustained damage through water infiltration. New hollow metal doors and frames that access all roof areas.

ALTERNATIVE(S): Left as is, the water infiltration will continue to damage interior and deteriorate the façade to a point where permanent sidewalk protection would need to be installed to protect pedestrians. Maintenance funds will continue to be spent on temporary measures.

FISCAL IMPACT: The budget for this project is \$6.55 million, which will be paid for by institutional funds (\$4.85M) and Academic Revenue Bonds (\$1.70M).

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, Baltimore, the IHV Building Exterior Upgrades as described above.

COMMITTEE RECOMMENDATION:

DATE:

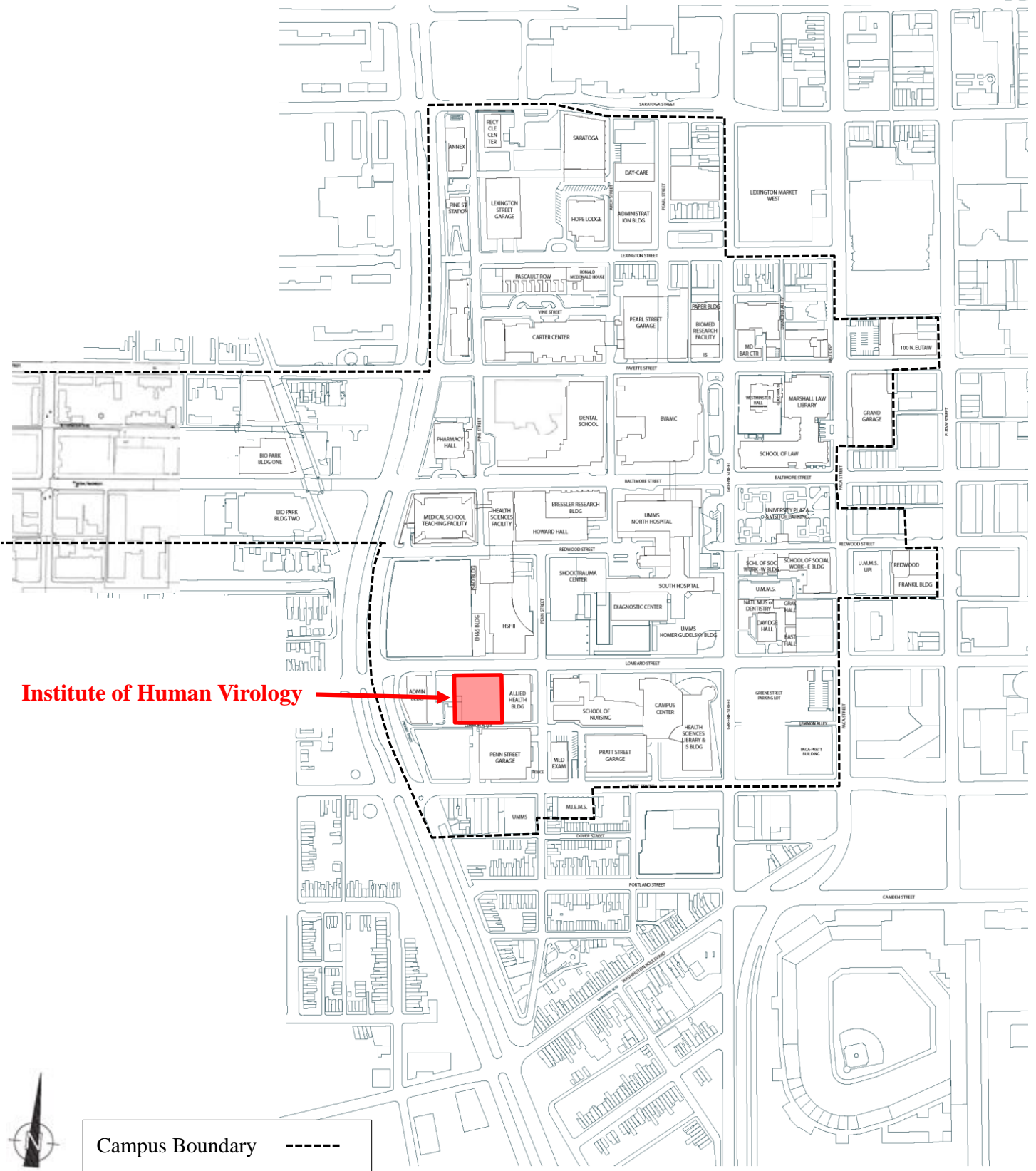
BOARD ACTION:

DATE:

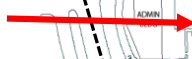
SUBMITTED BY: Ellen Herbst (301) 445-1923



University of Maryland, Baltimore



Institute of Human Virology



Campus Boundary - - - -



UNIVERSITY SYSTEM
of MARYLAND

BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University of Maryland, Baltimore: Delegation of Certain Real Property Acquisition Authority to the Chancellor

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The University of Maryland, Baltimore (UMB) has an ongoing program to acquire properties within its "Property Acquisition Zone," as defined in its 2017 Facilities Master Plan. Since 1995, the Board of Regents (Board) has delegated to the Chancellor, within certain parameters, the authority to approve for UMB the acquisition of real property if doing so is consistent with its Facilities Master Plan and the property to be acquired is strategic to the University's growth and development. The purpose of this delegated authority is to allow UMB to be responsive to acquisition opportunities in a timely manner.

The Board's authorization has been delegated to the Chancellor in five-year increments. The current five-year increment is set to expire on June 30, 2020. The University requests an extension for another five years under the following parameters:

- Properties acquired must be within the area identified for property acquisition in the 2017 UMB Facilities Master Plan.
- The consideration paid for a single property may not exceed \$750,000. Total purchases under these guidelines may not exceed \$7,500,000. (This represents an increase from the current authorization of \$500,000/\$6,000,000, in order to address an increase in property values in the Property Acquisition Zone.)
- Board of Regents Policy, "Acquisition, Disposition, and Leasing of Real Property" will be followed, except for this delegated authority. Board of Public Works approval is required for all real property acquisitions.
- If the Chancellor determines that an acquisition raises policy, legal, or other issues requiring the Board's consideration, the acquisition will be submitted to the Board for consideration and approval.
- The University will coordinate all acquisitions with the USM Office of the Vice Chancellor for Administration and Finance and the Office of the Attorney General.
- *This delegation will expire on June 30, 2025.*

ALTERNATIVE(S): The Board could choose not to approve this delegation and require that each acquisition of real property be submitted to the Board of Regents for approval.

FISCAL IMPACT: Acquisition costs will not be increased by this action. This delegation has and can improve the University's negotiating position resulting in more favorable pricing if closing dates can be advanced for the seller. Plant funds or other appropriate fund source will be used to pay for the acquisition of real property under this delegation.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents delegate to the Chancellor the authority to approve for the University of Maryland, Baltimore the acquisition of real property consistent with the parameters described above consistent with the University System of Maryland Procedures for the Acquisition and Disposition of Real Property.

COMMITTEE RECOMMENDATION:

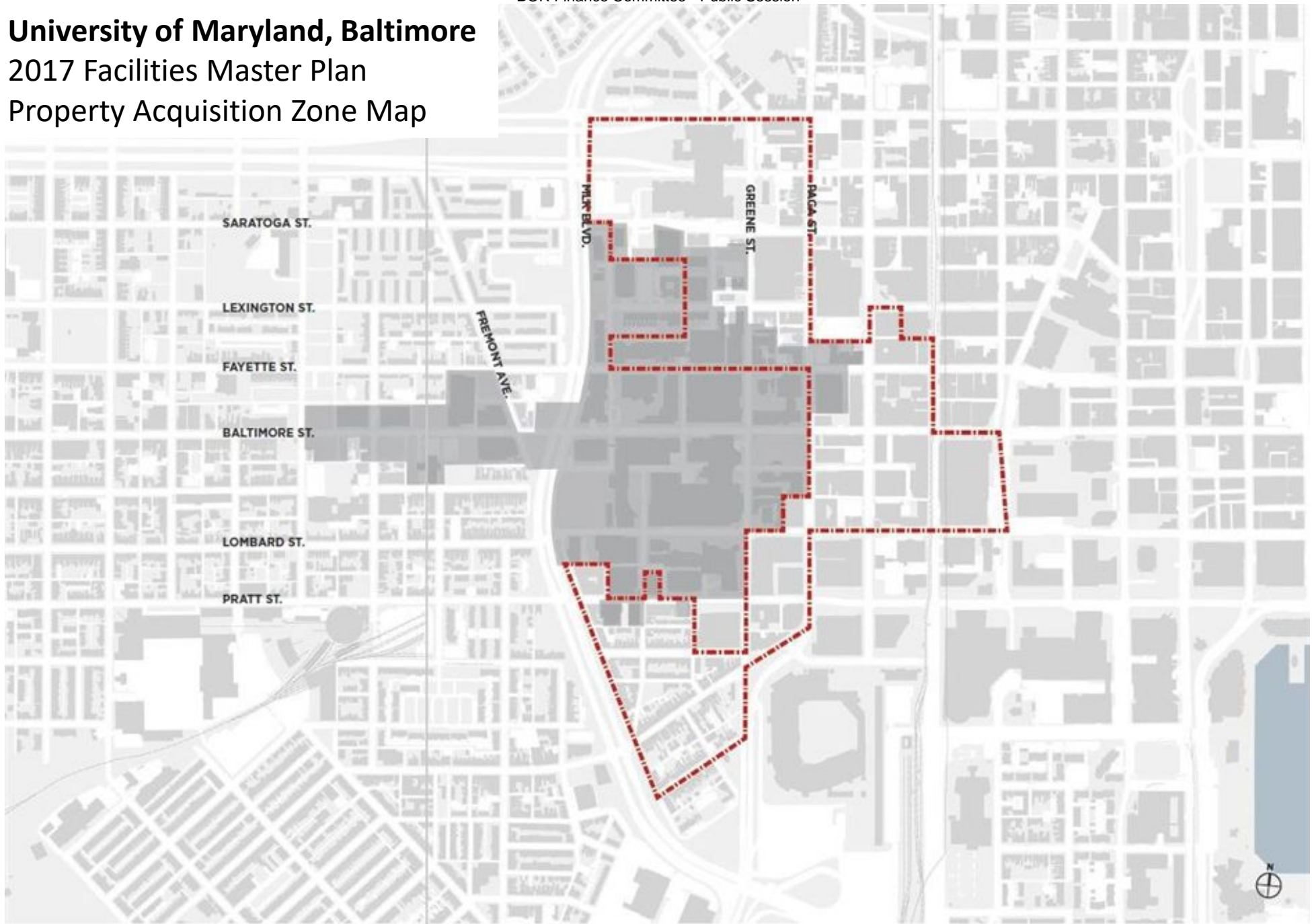
DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

University of Maryland, Baltimore 2017 Facilities Master Plan Property Acquisition Zone Map



UMB ONMIBUS PROPERTY ACQUISITION PLAN

■ Property Acquisition Zone

■ UMB Owned



TOPIC: University of Maryland, Baltimore: Dental Student Clinics Management Contract

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The University of Maryland, Baltimore (UMB) requests approval to exercise the fourth of five one-year renewal options with U.M. FDSP Associates, P.A. (FDSP) for the day-to-day operations of the student dental clinics at the Dental School at UMB. Daily operations include activities such as providing non-faculty support, scheduling patient visits and collecting fees charged to patients for clinical services and operations materials provided by the clinics.

The request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures: Section VII.C.2 for procurements exceeding \$5 million.

The term of the renewal is June 1, 2020 to May 31, 2021. The estimated value of the renewal is \$12,693,360. The original contract (on the UMB standard service contract form) is attached together with the 1985 document creating U.M. FDSP Associates, P.A.

VENDOR(S): U.M. FDSP Associates, P.A. (FDSP)

ALTERNATIVE(S): FDSP was organized as a tax exempt Maryland Corporation in order to implement a Faculty Dental Service Plan approved by the USM Board of Regents in August of 1985. The University undertook a study of private sector dental clinics and practices to determine if the costs for management and operation of the dental clinics by FDSP were competitive. The University found that a for-profit commercial entity could not perform the required services more economically since FDSP receives no compensation other than transfer funds from the University to support FDSP’s direct costs. The contract renewal will not exceed generated revenues.

FISCAL IMPACT: The contract renewal provides a positive fiscal impact in that FDSP receives no compensation other than reimbursement for personnel expenses and reasonable out-of-pocket expenses that are documented in periodic statements of income and expense to the Dental School.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the request to exercise the fourth one-year renewal option with U.M. FDSP Associates, P.A. as described above.

COMMITTEE RECOMMENDATION:	DATE:
<hr/>	<hr/>
BOARD ACTION:	DATE:
<hr/>	<hr/>
SUBMITTED BY: Ellen Herbst (301) 445-1923	
<hr/>	

SERVICE CONTRACT

Contract No. IFB88235JH

University of Maryland, Baltimore

This Contract is entered into between The University of Maryland Faculty Dental Service Plan, P.A. (U.M. FDSP) (hereinafter referred to as Contractor) and the University of Maryland, Baltimore (hereinafter referred to as the University or UMB).

1. SCOPE:

See Appendix C- Invitation for Bids (IFB) dated December 1, 2015 for detailed scope of work.

2. TERM: The term of this contract shall begin on June 1, 2016 and terminate on May 31, 2017.

UMS

3. COMPENSATION AND METHOD OF PAYMENT: As compensation for satisfactory performance of the work described herein, the University will pay the Contractor an amount not to exceed 10,762,900.00. UMB, as its sole option, has the unilateral right to extend the term of the Contract for up to five (5) additional successive one-year Contract year terms.

The Contractor's Taxpayer Identification Number consisting of the Social Security Number for individuals and sole proprietors or the Federal Employer Identification Number for all other types of organization is: 52-1456103.

The Contractor shall be paid only for items or services that are specifically named in this contract. No additional costs for items or services will be paid by the University without its prior express written consent.

4. INVOICING: Invoices shall be rendered monthly to the satisfaction of the University's designated representative and shall be payable as provided. The work shall be delivered free from all claims, liens, and charges whatsoever.

5. PAYMENT OF UNIVERSITY OBLIGATIONS: Payments to the Contractor pursuant to this contract shall be made no later than 30 days after the University's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by Public Service Commission of Maryland with respect to regulated public utilities, as applicable are prohibited.

6. LIABILITY: All persons furnished by Contractor shall be considered solely its employees or agents and Contractor shall be responsible for payment of all unemployment, social security and other payroll taxes, including contributions from employees when required by law.

Contractor agrees to indemnify and save the University harmless from any claims or demands (including the costs, expenses, and reasonable attorney's fees on account thereof) that may be made: (1) by anyone for injuries to persons or damage to property resulting from Contractor's acts or omissions or those of persons furnished by Contractor or (2) by persons furnished by Contractor or Contractor's subcontractors under Workmen's Compensation or similar acts. Contractor also agrees to defend the University at its request, against any such claim or demand. The University agrees to notify Contractor promptly of any known written claims or demands against the University for which Contractor is responsible hereunder.

The University shall not assume any obligation to defend, indemnify, hold harmless, or pay Attorney's fees that may arise from or in any way be associated with the performance or operation of this agreement.

Contractor shall maintain, during the term thereof, Workmen's Compensation Insurance, Public Liability Insurance, and if the use of automobiles is required, Automobile Public Liability Insurance. Contractor shall also require its subcontractors, if any, who may enter upon University premises to maintain such insurance. Contractor and its subcontractors shall furnish the University, when requested, with copies of policies or other satisfactory proof of insurance.

7. COMPLIANCE WITH LAWS: The Contractor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all Federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
- D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

8. UNIVERSITY WORK RULES: Employees and agents of Contractor and any subcontractors shall while on the premises of the University, comply with all University rules and regulations including, where required by Government Regulations, submission of satisfactory clearance from the U.S. Department of Defense or other Federal Authority concerned.

Contractor shall acquaint itself with conditions governing the delivery, receiving and storage of materials at the work site if applicable to this work, as not to interfere with University operations. Contractor shall not stop, delay or interfere with University work schedule without the prior approval of the University's specified representative. Contractor shall provide and maintain sufficient covering to protect stock and equipment from the action of its work, if applicable.

9. HARMONY: Contractor shall be entirely responsible for working in harmony with all others on the work site when Contractor is working on University premises.

10. WARRANTY: Contractor warrants that material and/or services furnished hereunder will be fit for the purposes intended and will be free from defects in material and workmanship where applicable.

11. MODIFICATIONS IN THE WORK: This Contract may be amended with the consent of both parties. Amendments may not change significantly the scope of the Contract.

12. NON-HIRING OF EMPLOYEES: No official or employee of the State of Maryland, as defined under State Government Article, SS 15-102, Annotated Code of Maryland, whose duties as such official or employee include matter relating to or affecting the subject matter of this contract, shall, during the pendancy or term of this contract and while serving as an official or employee of the State become or be an employee of the contractor or any entity that is a subcontractor on this contract.

13. DISPUTES: This contract shall be subject to the USM Procurement Policies and Procedures pending resolution of a claim, the Contractor shall proceed diligently with the performance of the contract in accordance with the procurement officer's decision.

14. MARYLAND LAW PREVAILS: The laws of the State of Maryland shall govern the interpretation and enforcement of this Contract.

15. NON-DISCRIMINATION IN EMPLOYMENT: the Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

16. SUSPENSION OF WORK: The procurement officer unilaterally may order the Contractor in writing to suspend, delay or interrupt all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the University.

17. PRE-EXISTING REGULATIONS: In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in USM Procurement Policies and Procedures in effect on the date of execution of this contract are applicable to this contract.

18. DELAYS AND EXTENSIONS OF TIME: The Contractor agrees to perform the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever, during the progress of any portion of the work specified in this contract.

Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State of Maryland in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

19. COST AND PRICE CERTIFICATION:

A. The Contractor by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:

(1) A negotiated contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the procurement officer; or (2) a change order or contract modification expected to exceed \$100,000, or smaller amount set by the procurement officer.

B. The price under this contract and any change order or modification hereunder, including profit fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

20. TERMINATION FOR DEFAULT: If the Contractor fails to fulfill its obligations under this contract properly and on time, or otherwise violates any provision of the contract, the University may terminate the contract by written notice to the Contractor. The notice shall specify the acts of omissions relied on as cause for termination. All finished or unfinished supplies and services provided by the Contractor, shall at the University's option, become the University's property. The University shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of USM Procurement Policies and Procedures.

21. TERMINATION FOR CONVENIENCE: The performance of work under this contract may be terminated by the University in accordance with this clause in whole, or from time to time in part, whenever the University shall determine that such termination is in the best interest of the University. The University will pay all reasonable costs associated with this contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any

anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of the USM Procurement Policies and Procedures.

22. FINANCIAL DISCLOSURE: The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the businesses.

23. POLITICAL CONTRIBUTION DISCLOSURE: Contractor shall comply with, and require its officers, directors, and partners to comply with, the provisions of Election Law Article, Annotated Code of Maryland, Sections 14-101 through 14-108, which requires that every person doing public business (as there defined), and every individual whose contributions are attributable to the person entering into such an agreement, during a calendar year in which the person receives cumulative consideration of \$100,000 or more from public business, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the lease or contract term on (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

24. CONTINGENT FEE PROHIBITION: The Contractor, architect, or engineer (as applicable) warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Contractor, architect or engineer, to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this agreement.

25. RETENTION OF RECORDS: The Contractor shall retain and maintain all records and documents relating to this Contract for three years after final payment by the University hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the University, including the procurement officer or designee, at all reasonable times.

26. MULTI-YEAR CONTRACTS CONTINGENT UPON APPROPRIATIONS: If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not

affect either the University's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the University from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The University shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

27. LIQUIDATED DAMAGES: N/A

28. VARIATIONS IN ESTIMATED QUANTITIES: Where the quantity of a pay item in this Contract is an estimated quantity and where the actual quantity of such pay item varies more than twenty-five percent (25%) above or below the estimated quantity stated in this Contract, an equitable adjustment in the Contract price shall be made upon demand of either party. The equitable adjustment shall be based upon any increase or decrease in costs due solely to the variation above one hundred twenty-five percent (125%) or below seventy-five percent (75%) of the estimated quantity. If the quantity variation is such as to cause an increase in the time necessary for completion, the procurement officer shall, upon receipt of a written request for an extension of time within ten (10) days from the beginning of the delay, or within a further period of time which may be granted by the procurement officer before the final settlement of the Contract, ascertain the facts and make adjustment for extending the completion date as in his judgment the findings justify.

29. TRUTH-IN-NEGOTIATION CERTIFICATION: (Mandatory for architectural services or engineering services contracts over \$100,000.) The Contractor by submitting cost or price information, including wage rates or other factual unit costs, certifies to the best of its knowledge, information and belief, that:

- A. The wage rates and other factual unit cost supporting the firm's compensation, as set forth in the proposal, are accurate, complete and current as of the contract date;
- B. If any of the items of compensation were increased due to the furnishing of inaccurate, incomplete or non-current wages or other units of cost, the State is entitled to an adjustment in all appropriate items of compensation, including profit or fee, to exclude any significant sum by which the price was increased because of the defective data. The University's right to adjustment includes the right to a price adjustment for defects in costs or pricing data submitted by a prospective or actual subcontractor; and
- C. If additions are made to the original price of the Contract, such additions may be adjusted to include any significant sums where it is determined the price has been increased due to inaccurate, incomplete or non-current wage rates and other factual costs.

30. ETHICS: The vendor is responsible to assure compliance with the Maryland Public Ethics Law, Title 5, General Provisions Article, Annotated Code of Maryland. In the event a violation of the Ethics Law occurs in connection with the Vendor's response of this solicitation or a

resulting contract award to the vendor, the University reserves the right to (1) reject the Vendor's bid or proposal or (2) declare an event of default under the contract.

31. RIGHTS IN INVENTIONS: For the consideration payable under this Contract, Contractor agrees to report any invention arising out of the Work required by this Contract to University of Maryland, Baltimore. University of Maryland, Baltimore shall have sole right and authority to seek statutory patent protection under United States and foreign patent laws and to enjoy the benefits of ownership of the invention, whether or not the invention was required of the Vendor as part of the performance of Work. Contractor hereby assigns all right, title and interest in and to inventions made in the course of the Work to University of Maryland, Baltimore and agrees to execute and deliver all documents and do any and all things necessary and proper to effect such assignment.

32. COPYRIGHTS: For the consideration payable under this Contract, the work product required by this Contract shall be considered a work made for hire within the meaning of that term under the copyright laws of the United States, applicable common law and corresponding laws of other countries. University of Maryland, Baltimore shall have sole right and authority to seek statutory copyright protection and to enjoy the benefits of ownership of the work. The party performing the work hereby assigns all right, title and interest in and to the work to the University of Maryland, Baltimore.

33. CONTRACT AFFIDAVIT: The attached Contract Affidavit must be executed by an authorized representative of the Contractor and is incorporated by reference into this Contract.

34. SPECIFICATIONS: All materials, equipment, supplies or services shall conform to federal and State laws and regulations and to the specifications contained in the solicitation.

35. TAX EXEMPTION: UMB is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes, and transportation taxes. Exemption certificates shall be completed upon request. Where a contractor is required to furnish and install material in the construction or improvement of real property in performance of a contract, the Contractor shall pay the Maryland Sales Tax and the exemption does not apply.

36. ANTI-BRIBERY: The Contractor warrants that neither it nor any of its officers, directors or partners, nor any employees who are directly involved in obtaining or performing contracts with any public body has been convicted of bribery, attempted bribery, or conspiracy to bribe, under the laws of any state or of the federal government or has engaged in conduct since July 1, 1997, which would constitute bribery, attempted bribery or conspiracy to bribe under the laws of any state or the federal government.

37. EPA: Materials, supplies, equipment, or services shall comply in all respects with the Federal Noise Control Act of 1972, where applicable.

38. OSHA; MSDS: All materials, supplies, equipment, or services supplied as a result of this Contract shall comply with the applicable U.S. and Maryland Occupational Safety and Health

Act Standards. Pursuant to 29 CFR part 1910, where applicable, an MSDS for the products supplied or used in carrying out this Contract must be sent to:

University of Maryland, Baltimore
Assoc. Director for EHS
714 West Lombard Street
Baltimore, MD 21201-1010

39. INTELLECTUAL PROPERTY: Contractor agrees to defend upon request and indemnify and save harmless UMB, its officers, agents and employees with respect to any claim, action, cost or judgment for patent infringement, or trademark or copyright violation arising out of purchase or use of materials, supplies, equipment or services covered by this Contract.

40. DRUG AND ALCOHOL FREE WORKPLACE: The Contractor warrants that the Contractor shall comply with COMAR 21.11.08 Drug and Alcohol Free Workplace, and that the Contractor shall remain in compliance throughout the term of this Contract.

41. MANDATED CONTRACTOR REPORTING OF SUSPECTED CHILD ABUSE & NEGLECT: The University of Maryland, Baltimore (UMB) and the University System of Maryland (USM) are committed to protecting the safety and welfare of children who come into contact with the UMB community. Maryland law contains mandatory reporting requirements for all individuals who suspect child abuse or neglect. *See* Maryland Code Annotated, Family Law Article, Sections 5-701 through 5-708. A copy of the above-referenced USM/UMB Policy and Procedures are available at: http://www.umaryland.edu/offices/accountability/child_abuse/
The Policy and Procedures are incorporated herein.

Contractors performing work on campus also must comply with USM Board of Regents (BOR) VI-1.50 – *Policy on the Reporting of Suspected Child Abuse and Neglect*, as well as the UMB *Procedures for Reporting Suspected Child Abuse and Neglect*. Specifically, contractors performing work on campus must report suspected child abuse or neglect orally or in writing to: (a) the local department of social services or law enforcement agency; and (b) the University President's Designee (i.e. the UMB Chief Accountability Officer), if the suspected child abuse or neglect: (i) took place in UMB facilities or on UMB property; (ii) was committed by a current or former employee or volunteer of the USM; (iii) occurred in connection with a UMB sponsored, recognized or approved program, visit, activity, or camp, regardless of location; or (iv) took place while the victim was a registered student at UMB.

UMB reserves the right to terminate this contract if Contractor fails to comply with the above-referenced policy or procedures, or if, in the judgment of UMB, termination is necessary to protect the safety and welfare of children who come into contact with the UMB community.

42. ENTIRE CONTRACT: This Contract represents, in its entirety, the mutual understanding of the parties. This Contract supersedes any and all prior understandings and agreements, either written or oral, between the Agency and Contractor. No subsequent agreements or modifications hereof, whether expressed or implied, shall bind the parties unless the same be in writing and signed by the parties.

Contract No. 88235

AGREED TO:

AGREED TO:

University of Maryland, Baltimore

U.M. FDSP ASSOC. PA
(Company)

Joseph Dran
Signature

Andrew J. Nolan
Signature
Executive Director - UM FDSP
Director of Clinic Finance and Admin

Director, Procurement Services
Title

Title

5/11/16
Date

12-16-2015
Date

UM FDSP Associates PA								
FY2017 Contract (June 1, 2016 to May 31, 2017)								
Total Contract By Program	Pre- Doctoral Clinics	Advanced Specialty Education	Advanced General Dentistry	Perryville	Oral Surgery	SPC/Plus	Other	Total Educational Clinics
Supplies	694,200	760,900	337,900	103,900	158,600	35,300	86,400	2,177,200
Lab	614,400	274,800	355,200	86,400	2,400	88,800	15,600	1,437,600
Clinical Staff	812,600	1,038,900	285,400	273,900	124,700	250,800	613,300	3,399,600
Dental Hygienists	33,600	18,000	103,200	-	-	-	-	154,800
Other Supporting Staff	196,300	232,700	118,200	17,100	50,900	9,400	14,100	638,700
Benefits and Other Employee Costs	313,000	392,000	153,900	96,300	52,100	68,200	177,900	1,253,400
Other Clinic and Supporting Costs	438,000	444,000	223,200	164,400	136,800	49,200	38,400	1,494,000
Provider Compensation	-	-	82,800	98,400	-	-	26,400	207,600
Total Expense	3,102,100	3,161,300	1,659,800	840,400	525,500	501,700	972,100	10,762,900

<p align="center">UM FDSP Associates PA</p> <p align="center">FY2017 Contract (June 1, 2016 to May 31, 2017)</p>								
Contract Payments By Program	Pre- Doctoral Clinics	Advanced Specialty Education	Advanced General Dentistry	Perryville	Oral Surgery	SPC/Plus	Other	Total Educational Clinics
June 1, 2014 (June and July)	517,016	526,884	276,634	140,066	87,584	83,616	162,016	1,793,816
July 1, 2014 (August)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
August 1, 2014 (September)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
September 1, 2014 (October)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
October 1, 2014 (November)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
November 1, 2014 (December)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
December 1, 2014 (January)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
January 1, 2015 (February)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
February 1, 2015 (March)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
March 1, 2015 (April)	258,508	263,442	138,317	70,033	43,792	41,808	81,008	896,908
April 1, 2015 (May)	258,512	263,438	138,313	70,037	43,788	41,812	81,012	896,912
Total	3,102,100	3,161,300	1,659,800	840,400	525,500	501,700	972,100	10,762,900

UM FDSP Associates, PA Inc.

Vendor Name


Authorized Signature

12/9/2015

Date

650 West Baltimore Street. Suite 5201

Street Address

Baltimore, MD 21201

City / State / Zip Code

52-1456103

FIN

anolan@umaryland.edu

Email Address

410 706 3905

Phone

410 706 3028

Fax

UNIVERSITY OF MARYLAND, BALTIMORE
MANAGEMENT/OPERATION OF STUDENT DENTAL CLINICS
INVITATION FOR BIDS (IFB)



December 1, 2015

1.0 Scope of Work

- 1.1 It shall be the intent and purpose of this solicitation to outline and detail the terms and conditions under which a successful Bidder (Contractor) shall provide the services for the Faculty Dental Service Plan (FDSP).
- 1.2 FDSP shall serve as the business and legal entity by which the School of Dentistry ("SOD") may conduct operations of all dental clinics, including all staffed by faculty, and those staffed by students, ("Student Clinics") to assist SOD to function efficiently and effectively through the collection and expenditure of fees for all clinical services delivered by faculty and students.
- 1.3 Fees collected for Student Clinics services shall be deposited with the State Treasurer for the SOD account.

2.0 Term of Agreement

- 2.1 Term of said agreement shall be for the period of June 1, 2016, following approval by the Board of Regents, and the Board of Public Works, and will terminate on May 2017.
- 2.2 Said Contract may be renewed for five additional one-year terms, at the University's sole option. Any renewal shall be set forth in writing and signed by both parties prior to said renewal becoming effective.

3.0 Payment Terms

- 3.1 Contractor shall submit monthly invoices to the University Liaison not later than the 10th of each month for services provided during the month.
- 3.2 FDSP shall furnish an original and three copies of each invoice to the University Liaison.

- 3.3 No invoice will be processed that exceeds the approved monthly payment under the dental student clinic budget.

4.0 Contractor Responsibilities

- 4.1 FDSP shall be responsible for the following:
 - 4.1.1 Administration and operation of the Student Clinics;
 - 4.1.2 Operate Student Clinics only in facilities designed by the Dean of SOD
 - 4.1.3 Billing and collection for clinical services and administration of Student Clinics;
 - 4.1.4 If it is determined through independent audit that the cost of operating the clinics is less than payments received by FDSP, based upon the budget, the surplus will be refunded from the FDSP to the Dental School state accounts.
 - 4.1.5 If it is determined through an independent audit that the cost of operating the clinics is greater than the payments received by the FDSP, based upon the budget, the Dental School will reimburse the FDSP for the additional expense.
- 4.2 FDSP shall submit to the Procurement Officer the following:
 - 4.2.1 Quarterly statement of income and expenses not later than the 30th of the month following the close of the previous quarter;
 - 4.2.2 Annual Audit Report of income and expenses not later than November 1 of each Contract year.
- 4.3 Contractor shall not start work under this Contract, or any subsequent Contract renewal terms until Contractor has obtained, at its own expense, all of the insurances called for hereunder, see Attach. 1, and such insurances has been approved by the procurement officer, nor shall the Contractor or any subcontractor start work until all insurance required of the subcontractor has been obtained and approved by the Contractor and University.
 - 4.3.1 University approval of insurance required by the Contractor and subcontractors will be granted only after submission to the Procurement Officer of original certificates of insurance, signed by an authorized representative of the insurers, or alternately, at the University's request, certified copies of the required insurance policies.

4.4 Minority Business Enterprise (MBE) Participation

4.4.1 An MBE participation requirement of not less than Three (3%) of the total sales has been established for this procurement. By submitting a response to this IFB, the Offeror agrees that this amount of the Contract, at a minimum, will be performed by State of Maryland Certified Minority Business Enterprises.

5.0 **University Responsibilities**

5.1 University shall, through the Dean of SOD provide:

5.1.1 Educational matters relating to the Students Clinics, to include:

5.1.1.1 Designation of clinical curriculum

5.1.1.2 Assignment of student and faculty to the Students Clinics;

5.1.1.3 Evaluation of clinical performance

5.1.2 Provide for compensation of faculty for teaching and administrative services in Student Clinics.

6.0 **FDSP Plan; Student Clinics**

6.1 It is the intent of the Dental School that FDSP serve as the business and legal entity by which the Dental School may conduct operations of all dental clinics, including both those staffed by faculty, and those staffed by students, ("Student Clinics"), thereby assisting the School to function efficiently and effectively through the collection and expenditure of fees for all clinical services delivered by faculty and students. Fees collected for Student Clinic services shall be deposited with the State Treasurer for the Dental Schools' account.

6.2 FDSP shall be responsible for administration and operation of the Student Clinics. All educational matters relating to the Student Clinics, including:

6.2.1 the designation of clinical curriculum,

6.2.2 assignment of students and faculty to the clinics, and,

6.2.3 valuation of clinical performance, shall remain the responsibility of the Dental Schools.

6.3 The Student Clinics shall be operated in those facilities designated by the Dean of the Dental School, and shall be supported by the Dental School to the extent determined by the Dean, and permitted by the Dental School's budget.

- 6.4 FDSP, pursuant to a separate procurement contract with University, shall be responsible for billing and collecting for clinical services and administration of the Student Clinics.
 - 6.4.1 Revenue shall be applied first to expenses incurred by the Student Clinics under a budget, which shall be subject to approval of the Dean of the Dental School.
 - 6.4.2 All revenues of Student Clinics (net of operating costs) shall be retained in the Dental School's State budget for the benefit of the Student Clinics, or for other purposes, as the Dean may determine from time to time.
 - 6.4.3 Revenue of the Student Clinics shall be accounted for separately from faculty practice income, which is to be disbursed as provided in Article VI of this Plan.
- 6.5 FDSP shall receive no compensation for operation of the Student Clinics. This provision shall not be interpreted to prevent reimbursement of any reasonable out-of-pocket expense and personnel expenses incurred by FDSP, with the approval of the Dean, for the efficient administration and operation of the Student Clinics.
 - 6.5.1 Such expenses may include, by way of example, employment of administrative or clerical personnel responsible for FDSP business matters relating to Student Clinics and professional liability insurance for Student Clinic personnel.
- 6.6 Compensation for faculty for teaching and administrative services in the Student Clinics will be the sole responsibility of the Dental School, which may compensate faculty for such efforts from Student Clinic revenues or from other Dental School income.

7.0 Formation of Agreement/Contract

The Contract to be entered into as a result of this Request for Quote (the "Contract") shall be by and between the offeror as contractor and the University in the form of a **Contract/Service Agreement** and shall contain the provisions included herein as Appendix E (Service Contract) as well as any additional terms required by the University of Maryland, Baltimore or the State of Maryland. By submitting an offer, the Contractor warrants that they have reviewed Appendix E, and will execute a contract on that form upon request by University of Maryland, Baltimore.

8.0 Proposal Submission

Offeror shall complete and return the following by **5:00 PM** (Local time) on **Friday, December 18, 2015**:

- 8.1 Offeror must complete and return with their proposal response, MBE Attachment A and Attachment B (See Appendix B). Failure to complete and return Attachment A and Attachment B may cause the proposal response to be deemed non-responsive and therefore not reasonably susceptible of being selected for award.
- 8.2 Offeror must develop and return with their proposal response, a Financial Proposal form that details the FY 2017 (June 1, 2016-May 31, 2017) estimated annual budget (See Appendix A for Sample). Failure to develop and return Financial Proposal may cause the response to be deemed non-responsive and therefore not reasonably susceptible of being selected for award.
- 8.3 Offeror must complete and return with their proposal response, Bid Proposal Affidavit (See Appendix C). Failure to complete and return Bid Proposal Affidavit may cause the proposal response to be deemed non-responsive and therefore not reasonably susceptible of being selected for award.
- 8.4 Offeror must complete, sign and return with their proposal response, Appendix D, Certification Regarding Investment Activities in Iran. Companies appearing on the Investment Activities in Iran list are ineligible for award.

APPENDICES

- APPENDIX A: Financial Proposal Form Sample
Submit with Offer
- APPENDIX B: MBE Attachments A and B
Submit with Offer
- APPENDIX C: Bid Proposal Affidavit
Submit with Offer
- APPENDIX D: Certification Regarding Investment Activities in Iran
- APPENDIX E: Service Agreement
- APPENDIX F: Terms and Conditions of Solicitation and Purchase Order
Terms and Conditions

APPENDIX G: Contract Affidavit

ATTACH. 1: Insurance Requirements

ATTACH 2: FDSP PLAN (III Student Clinics)

3/9/95

BALTIMORE COLLEGE OF DENTAL SURGERY

DENTAL SCHOOL

FACULTY DENTAL SERVICE PLAN

June 1985

Approved by the Board of Regents
August 23, 1985

Amended effective January 1, 1995

1/1/95
AMENDED PLAN

5

PREAMBLE

Dental educational programs utilize as part of their curricula the clinical practice of dentistry and dental hygiene. This Plan provides a mechanism for managing all clinical practice associated with the University of Maryland's Dental School through tax-exempt organizations legally distinct from the University, but closely related to the Dental School and extant by the Board of Regents' authorization. The various clinic service programs of the Dental School will be managed through the organizations to attain flexibility and efficiency in the utilization of earned clinic income.

The Dental School recognizes the privilege of full-time members of the faculty who are licensed dentists, dental hygienists, or physicians in the State of Maryland: a) to engage in clinical practice within the limitations herein set forth and to the extent consistent with the proper discharge of their primary duties as teachers; b) to utilize in such practice the facilities provided by the University, subject to the limitation of the State budget; c) to charge fees for services (in such practices) and; d) to share in the income from such fees as herein provided, subject to the Dental School's approval and after proper reimbursement to the University for certain services, expenses and materials utilized in the faculty practice.

30

5

INTRODUCTION

The Baltimore College of Dental Surgery, the first dental school in the world, has a long and distinguished history based on a strong heritage of clinical practice. The world-renowned Dental School continues to progress and grow because of a strong and viable faculty of clinical and basic scientists. The continued growth of the School will depend upon its faculty and their interest, time and freedom to pursue teaching, research, service and patient care. The resources which support the faculty and the School's teaching programs have been made available, over the years, from governmental and private funds as well as monies earned by the faculty and students in the delivery of oral health care.

The success of the Dental School depends, in part, upon having sufficient faculty to provide for the tutorial system of teaching that is required in each year of the clinical program. It is recognized that neither the University of Maryland nor other state universities can provide competitive salaries for clinical faculty solely from State funds. Patient care by faculty members is essential for teaching and the development of academic excellence, and fees are available to health care providers as the result of these services. It is common practice for this income to be used for supplemental support of clinical faculty and to enhance the growth and academic status of clinical departments and the School.

30

It is important to note that the state-supported base salaries for the Dental School faculty must be preserved, and that increments will be provided for that base salary by the Dental School as permitted by its State budget. Recognizing the limited
5 opportunities for clinical practice available to full-time faculty, the University acknowledges that it has a responsibility to provide from State general funds and other University administered funds an appropriate base salary for faculty. This salary will be reviewed and, if appropriate, revised annually by the department chair, Dean
10 and President, with reference to the faculty member's teaching, research and administrative responsibilities as well as opportunities for fee-generating clinical practice.

The Dental School previously had as many as three separate practice plans, organized according to specialties of the faculty.
15 A revised, consolidated practice plan to update these plans is provided in this document, the Faculty Dental Service Plan ("Plan"). The Plan identifies the faculty participants and authorizes establishment of two tax-exempt professional associations. One of these shall be a coordinating organization
20 for the practice of faculty who are not oral and maxillofacial surgeons; the other shall be a professional association of faculty oral and maxillofacial surgeons. These organizations will permit the faculty to function optimally as an academic community and to manage patient care activities with maximum efficiency.
25 Fundamental to this Plan is the philosophy that the Dean of the Dental School, the chairs of its departments and the faculty shall

conduct clinical activities under the Plan in mutual cooperation and for the benefit of the University as well as the faculty. In the interest of efficient management, this Plan also authorizes and requires the first of the two enumerated faculty practice organizations to administer and operate patient clinics at the Dental School where services are provided by students, but reserves to the Dental School all responsibility for clinical education in those clinic settings.

I. The Goals

The goals of the Plan are the continued advancement of dental education and the continued professional development of full-time faculty members. The clinical practice of dentistry and oral and maxillofacial surgery will: a) provide a clinical program in which dental and dental hygiene students and oral-maxillofacial surgery residents may learn to practice dentistry; b) provide dental and oral-maxillofacial surgery services to the community; c) permit faculty evaluation of new methodologies; d) provide a laboratory for development of new methods of delivering dental and oral-maxillofacial surgery service; e) provide dental care center(s) to which area practitioners may refer difficult, unusual and challenging cases, thereby extending the University's commitment to public service; and f) provide faculty a means to augment faculty income.

This Plan is not intended to create a contract between any member of the Dental School faculty and the University and may not be relied upon by any faculty member as a contract.

II. Faculty Practice Organizations

A tax-exempt professional association, U.M. FDSP, P.A. ("FDSP") shall be established outside the University system to serve as the coordinating corporation for all faculty practice
5 except oral and maxillofacial surgery and to manage Dental School clinics.

A second tax-exempt professional association, "Maxillofacial Surgery Associates, P.A." ("MSA"),* shall be established outside the University system to serve as the corporation for the practice
10 of oral and maxillofacial surgery by qualified faculty.

The Dean of the Dental School, with the consent of the President, UMAB, will develop any agreements with FDSP and OMSA needed to carry out the Plan. The articles of incorporation and by-laws of FDSP and OMSA must be approved by the Chancellor or his
15 designee.

FDSP and OMSA are referred to collectively in this Plan as the "Faculty Practice".

The articles of incorporation of FDSP shall provide that the directors or trustees of FDSP shall be the Dean of the Dental
20 School, the Associate Dean for Clinical Affairs, the chairs or acting chairs of the clinic science departments of the Dental School, and two members of the clinical faculty of the Dental School chosen by election of the entire clinical faculty.

The articles of incorporation of MSA shall provide that the
25 directors or trustees of MSA shall be the Dean of the Dental

*The name used may vary.

School, the Assistant Dean for Fiscal and Personnel Affairs, the chair of oral-maxillofacial surgery, and two members of the clinical faculty of oral-maxillofacial surgery chosen by election of the department faculty. The President of FDSP will be a non
5 voting ex officio director or trustee of MSA.

Each professional association will be an entity separate and distinct from the University. All correspondence, billings and other activities of the Faculty Practice shall be clearly identified as activities of the Faculty Practice.

10 Each professional association must obtain, at its expense, an annual audit of its fiscal affairs by an independent certified public accounting firm acceptable to the University. The audit must be in sufficient detail to allow ascertainment of the purposes of all expenditures, including the assurance that expenditures
15 (especially transfers to the University or the University of Maryland Foundation, Inc.) are made in accordance with the Plan. A complete copy of each audit report will be provided to the President, UMAB.

The annual fiscal period of the Faculty Practice shall be the
20 same as the annual fiscal period of the University.

Prior to the beginning of each annual fiscal period, the University and each professional association shall agree upon administrative services (if any) to be provided to that professional association by the University and appropriate
25 compensation for such services. The terms of this agreement shall be subject to the President's approval. If a professional

association uses services of the UMAB Division of Procurement and Supply, the agreement must provide that the professional association will be solely responsible for payment of all charges for goods, supplies and services obtained on its behalf by the
5 Division.

Each professional association shall compensate the University for administrative services provided to it by the University, and for the estimated value of the time of University personnel assigned to work part-time for the professional association. Any
10 personnel who will work 50 percent time or more for the Faculty Practice shall be employed by the appropriate professional association, but may continue part-time University employment.

FDSP and MSA each shall defend, indemnify, and hold harmless the University with respect to all claims and disputes asserted
15 against the University by University employees or by the indemnifying professional association's employees, which relate to or result from the employees' services for the professional association or employment by the professional association.

III. Student Clinics

20 It is the intent of the Dental School that FDSP serve as the business and legal entity by which the Dental School may conduct operations of all dental clinics, including both those staffed by faculty and those staffed by students ("Student Clinics"), thereby assisting the School to function efficiently and effectively
25 through the collection and expenditure of fees for all clinical services delivered by faculty and students. Fees collected for

Student Clinics services shall be deposited with the State Treasurer for the Dental School's account.

FDSP shall be responsible for administration and operation of the Student Clinics. All educational matters relating to the Student Clinics, including the designation of clinical curriculum, assignment of students and faculty to the clinics, and evaluation of clinical performance, shall remain the responsibility of the Dental School. The Student Clinics shall be operated in those facilities designated by the Dean of the Dental School and shall be supported by the Dental School to the extent determined by the Dean and permitted by the Dental School's budget.

FDSP, pursuant to a separate procurement contract from UMAB, shall be responsible for billing and collecting for clinical services and administration of the Student Clinics. Revenues shall be applied first to expenses incurred by the Student Clinics under a budget which shall be subject to the approval of the Dean of the Dental School. All revenues of Student Clinics (net of budgeted operating costs) shall be transferred to the Dental School State budget for the benefit of the Student Clinics or for other purposes, as the Dean may determine from time to time. Revenues of the Student Clinics shall be accounted for separately from faculty practice income, which is to be disbursed as provided in Article VI of this Plan.

FDSP shall receive no compensation for operation of the Student Clinics. This provision shall not be interpreted to prevent reimbursement of any reasonable out-of-pocket expenses and

personnel expenses incurred by FDSP, with the approval of the Dean, for the efficient administration and operation of the Student Clinics. Such expenses may include, by way of example, employment of administrative or clerical personnel responsible for FDSP
 5 business matters relating to Student Clinics and professional liability insurance for Student Clinic personnel.

Compensation of faculty for teaching and administrative services in the Student Clinics will be the sole responsibility of the Dental School, which may compensate faculty for such efforts
 10 from Student Clinic revenues or from other Dental School income.

IV. Faculty Practice Options

All full-time faculty members with a dental, dental hygiene or medical degree, duly licensed in the State of Maryland and desiring to practice dentistry, dental hygiene, or oral surgery, may select
 15 one of two options: a) intramural professional practice; or b) extramural professional practice. These options will be initially offered at employment. After the initial selection, a review followed by a renewal or change in the faculty practice status will occur each year with the effective dates of the agreement being
 20 July 1 to June 30 of each year thereafter. The selected option by the faculty member must be approved by the department chairman and the Dean, and is considered as a term of the faculty member's appointment. Practice in conformity with the option will be a condition of continued employment by the University. Regardless of
 25 the option selected, the Dean and department chairman will ensure that participation in consulting and professional services will in

no way interfere with fulfillment of all responsibilities to the University and Dental School.

Those faculty members who select the intramural practice option ("participants") will be considered geographic full-time faculty and may practice only at permitted locations (see Article V, A.1). They must comply with the rules and regulations established by the board of directors of the relevant professional association and approved by the Dean. Professional fee income generated by participants will be disbursed as provided in Articles VI, VII and VIII of this Plan.

Those faculty members who select the extramural practice option may practice professionally only outside the physical confines of the University of Maryland at Baltimore and its affiliated institutions and at times other than when the Dental School is normally in session, as indicated in the annual Academic Calendar, including examination and registration periods. Faculty members selecting the extramural practice option may not practice within the University of Maryland at Baltimore and its affiliated institutions. The remainder of this Plan is not applicable to their practice activities and income.

V. Participants' Clinical Practice

A modern practice environment will be maintained by FDSP and MSA to promote efficient clinical practice by Faculty Practice participants and to support departmental responsibility for teaching and research. Through FDSP and MSA participants will offer a group practice providing high quality, comprehensive care,

cross-referral and consultations that will improve inter-disciplinary communications and therapy.

The following are the basic principles which will govern the operation of the Faculty Practice:

5 A. Participants

1. Participation (employment by a professional association) shall be available to any geographic full-time faculty member of the Dental School who is a licensed dentist, dental hygienist or physician in the State of Maryland. A geographic full-time faculty member is defined as one who devotes his/her time and professional efforts exclusively to the Dental School; the University of Maryland Medical Center; those affiliated hospitals, institutions or facilities where any part of the academic program is conducted; and other locations authorized by the Board of Directors of FDSP or MSA, as applicable, and the faculty member's respective department chair, with the concurrence of the Dean. Participants must comply with this Plan and with applicable rules and regulations of the Faculty Practice, the Dental School and the University.

2. Full-time Dental Hygiene faculty who are licensed in the State of Maryland may be employed by FDSP. Full-time Dental Hygiene faculty will also be given employment priority when FDSP vacancies occur. Hygienists electing intramural practice will be employed by FDSP, subject to its personnel requirements. If FDSP is not able to offer employment to a hygienist who has elected intramural practice, the hygienist shall not be bound by the

election.

B. Practice Limitations

1. Participants in FDSP practice general dentistry or shall be permitted to practice their specialty as designated by the
5 FDSP Board of Directors. In addition to general dental practice, the following specialties will be represented: Endodontics, Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics and Oral Pathology. Participants in MSA may practice Oral-Maxillo-
10 facial Surgery as designated by the department chair and as permitted under any relevant hospital or clinic credentials.

2. The Dean and the department chair will adopt policies limiting a faculty member's practice to ensure that participation in practice will in no way interfere with fulfillment of responsibilities to the University and the Dental School.

15 VI. Faculty Income and Fringe Benefits

The income paid each participant by the participant's professional association shall be determined annually, subject to available funds, the recommendations of the department head, and the approval of the Dean of the Dental School and the President.
20 The professional association, subject to the availability of funds, may provide participants with fringe benefits competitive with those customary in the participant's respective area of practice. Fringe benefits are subject to the approval of the Dean and the President.

25 For participants who will receive professional fee income through the Faculty Practice, total income will include three

components:

A. Base Salary

Base salary payable by the University from State general funds appropriated to the Dental School or from other University administered funds (grants or contracts). Base salary will be established prior to the beginning of each fiscal year. The base salary assures the Dental School of an adequate coverage for its instruction, research, administrative and appropriate dental service assignments. In a complementary way the base salary assures the faculty members that they will not be required to assume unreasonable patient care activities in order to earn minimum appropriate salaries.

B. Faculty Practice Salary

1. A Faculty Practice salary from professional fee income will be established at the beginning of each year and adjusted from year to year to conform to new experiences. This component is payable solely by the participant's professional association, subject to generation of required income by the participant and the participant's professional association.

2. For faculty participating in the State Retirement System, the Dean may approve payment of the Faculty Practice salary by the State payroll system. For such faculty, the professional association will deposit approved Faculty Practice income to a School account which is the State payroll source. The State's fringe benefit cost associated with the Faculty Practice income also will be deposited to a State account. Both payments will be

considered operating expenses, pursuant to Article VII.A or VIII.A of this Plan as applicable.

C. Incentive Practice Income

5 A participant may receive Incentive Income from a practice organization in an amount determined as provided in Article VII or VIII, as applicable.

VII. Distribution of Professional Fee Income - FDSP

Distribution of FDSP professional fee income shall be made in the following manner:

10 A. Cost of Practice

First, professional fee income shall be applied to pay the normal operating expenses incurred by the clinical faculty, their departments, and/or by FDSP, in the generation of professional fees. These operating expenses include the costs of supplies, materials, and management; the Faculty Practice salary component of participants' income, fringe benefit costs, and malpractice insurance premiums. Operating expenses will include fringe benefits cost transferred to a State account for any faculty member receiving Faculty Practice salary through the State payroll system as described in Article VI.B.2.

15
20

B. Dental School Development Funds

Second, professional fee income shall be applied to make required contributions to Dental School Development Funds for faculty development and enrichment. There will be a Dental School Development Fund, managed by the Dean of the Dental School, and a Departmental Development Fund for each department, managed by the

25

department chair. The contribution to the Dental School Development Fund shall be 5% of each individual faculty member's "net professional fee income" (as defined in this paragraph). The contribution to each Department Development Fund shall be 5% of the net professional fee income of each participant in that department. "Net professional fee income" means total professional fee income less all normal operating expenses except fringe benefits costs. FDSP shall establish rules and regulations for the allocation of operating expenses against individual participants' professional fee income in order to determine their respective net professional fee incomes.

C. Incentive Practice Income

The balance of professional fee income, after payment of distributions to normal operating expenses and the Development Funds, shall be allocated and paid as Incentive Practice Income. The department chair, with approval of the Dean and President, will provide for distribution of up to 50 percent of the Incentive Practice Income to the participant who earned the income. Distribution of the balance will be determined between the chair and the participant annually, subject to the approval of the Dean and President.

VIII. Distribution of Professional Fee Income - MSA

Distribution of MSA professional fee income and other income ("Income") shall be made in the following manner:

A. Cost of Practice

Income shall be used to pay the operating expenses incurred by

the professional association in order to generate the income. Operating expenses include cost of supplies, materials, management and administration, and other expenses appropriate to a 501(c)(3) corporation under Internal Revenue Service rules, provided that

5 such expenses are included in a listing of approved expenses adopted by the board of the professional association and approved by the Dean of the School. Operating expenses will include the Faculty Practice salary component for each participant. Operating expenses will include fringe benefits cost transferred to a State

10 account for any faculty member receiving Faculty Practice salary through the State payroll system as described in Article VI.B.2. The balance remaining after payment of operating expenses is "Net Income".

B. Dental School Development Funds

15 At least 50% of Net Income shall be paid to the Department of Oral and Maxillofacial Surgery ("Department") Development Fund and to the Dental School Development Fund. The allocation of funds between Department and Dental School development funds shall be determined on an annual basis through mutual agreement of the

20 Department Chair and the Dean. The allocation to the Dental School Development Fund shall never be more than the lesser of (a) 25% of Net Income or (b) five percent (5%) of the collective Faculty Practice component of salaries of participants in MSA. The development funds shall be used to support the education and

25 research missions of the Department and the School.

C. Incentive Practice Income and Fringe Benefits

Up to 50% of Net Income may be paid to incentive practice income and fringe benefit accounts for incentive practice income payments to faculty and support of fringe benefits (see paragraph D).

D. Fringe Benefits

Subject to availability of funds, MSA will provide competitive fringe benefits to all department faculty members. For salary paid directly by MSA any fringe benefits provided will be complementary with the state benefits. Allowed fringe benefits to be supported by MSA will be determined by MSA's President, in consultation with its Board, subject to approval of the Dean and President. In the event of a dispute, a final and binding decision will be made by the President.

E. Allocation Decisions

If the Department Chair and the Dean cannot agree on the allocation of Net Income between development funds as described in part B or between development funds and the incentive practice income and fringe benefits accounts as described in parts C and D, the matter shall be referred to the President for final and binding decision.

IX. Development Funds

Development funds identified in Article VII and Article VIII shall be deposited in and maintained in the University of Maryland Foundation, Inc., Dental School Fund.

X. Amendments

The Plan may be amended (a) by the Board of Regents or (b) by the Dean of the Dental School, subject to the approval of the President, University of Maryland at Baltimore, and the Chancellor, University of Maryland System. The Chancellor shall consult with the Board of Regents as necessary and appropriate, in his judgment, regarding amendments requested by the Dental School.

10



TOPIC: University of Maryland, College Park: Lease for Earth System Science Interdisciplinary Center

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The University of Maryland, College Park (“UMD”) seeks Board of Regents approval to amend and extend an existing lease for 41,500 rentable square feet in the University’s Discovery District, located at 5825 University Research Court, College Park. This space is currently occupied by UMD’s Earth System Science Interdisciplinary Center (“ESSIC”) pursuant to a 2008 lease, the term of which ends on June 30, 2020.

The University wishes to maintain the status quo and keep ESSIC at this location, in part because it is next door to the National Oceanic and Atmospheric Administration (“NOAA”) building and this co-location facilitates collaboration between ESSIC and NOAA researchers.

The Earth System Science Interdisciplinary Center is a joint center between the UMD Departments of Atmospheric and Oceanic Science, Geology, and Geographical Sciences. ESSIC was initiated under a Cooperative Agreement with the Earth Sciences Directorate at the NASA’s Goddard Space Flight Center, the collaboration under which continues to today. ESSIC also administers the Cooperative Institute for Climate and Satellites, which is a joint center with NOAA’s National Centers for Environmental Prediction and the National Environmental Satellite and Data Information Service.

UMD proposes to extend this lease for one additional five-year term, with one option to extend the term an additional five years. The rent is currently \$31.04 per square foot. For the first year of the proposed new term, base rent would adjust down to \$30.50 per square foot (or \$1,265,750 per year). Thereafter, base rent will increase at a rate of 3% per year.

Base rent will be abated for the first two months of the extended term (a savings of \$210,958). In addition, the landlord will provide UMD with a tenant improvement allowance of \$15 per square foot (\$622,500) to allow for a “refresh” and upgrades to the premises. The operating expense base year will also be adjusted to be 2020, thereby reducing UMD’s payment obligations for building operating expenses and taxes. Resetting the base year, during which time the landlord assumes all operating costs, benefits the tenant by reducing future excess operating expense pass through obligations.

ALTERNATIVE(S): The Board of Regents could reject the proposed lease extension; however, as a practical matter UMD does not have 41,500 square feet of suitable on-campus space for ESSIC. Any other off-campus leased space would lose the advantage of co-location next to NOAA.

FISCAL IMPACT: Base rent for the space will be reduced from \$31.04 to \$30.50 per square foot and UMD will enjoy the added benefits of two months free rent (\$210,958), a tenant improvement allowance of \$622,500 and reduced obligations for operating expenses and taxes on account of a reset of the base year to 2020.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park an extension of the lease for ESSIC as described above, consistent with the University System of Maryland Policy on Acquisition, Disposition, and Leasing of Real Property.

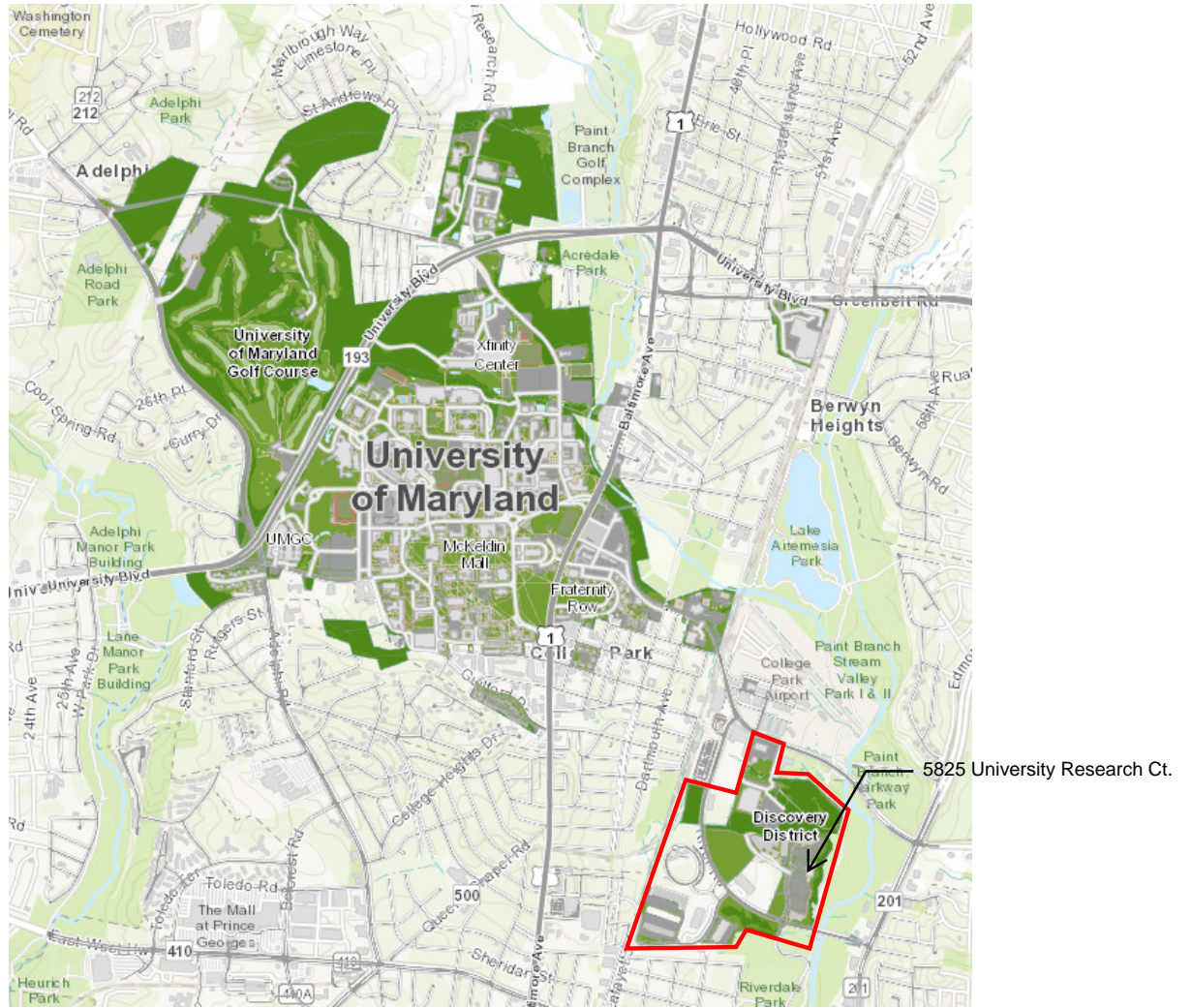
COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923







BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University System of Maryland: Review of Construction Costs

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: On March 4, 2020, representatives from the project service centers at the University of Maryland, College Park and the University of Maryland, Baltimore, along with Terry Cook from UMBC and Mark Beck from the System Office, met with the Effectiveness & Efficiency (E&E) Work Group to discuss the topic of construction costs for USM projects. The presentation was preceded by a briefing paper (attached) and generated a number of recommendations that are actively being pursued by the staff team. The members of the E&E Work Group suggested that a high level summary of the issues related to this topic be presented to the Finance Committee.

ALTERNATIVE(S): This is an information item.

FISCAL IMPACT: This is an information item.

CHANCELLOR’S RECOMMENDATION: This is an information item.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



BRIEFING PAPER FOR THE BOARD FINANCE COMMITTEE

regarding

USM CONSTRUCTION PROJECT COSTS

USM Office of Capital Planning (March 2020)

Contents

- I: What Drives the Cost of USM Projects?
 - A. Cost implications inherent in all Maryland higher education projects
 - B. Market-driven impacts on costs
 - II: What Solutions Can Help Reduce Costs?
 - A. Selecting the most effective project delivery method
 - B. Adopting creative construction techniques
 - C. Strategic capital budgeting decisions
 - D. Improved service center coordination
 - Appendix Design/Construction Service Centers and Delivery Methods:
Adding value, effectiveness and efficiency to USM projects
-

I: WHAT DRIVES THE COST OF USM PROJECTS?

There are two basic tiers of impact: (A) the requirements for our building projects that generally increases their cost vis-à-vis the private sector; and (B) the more recent, market-driven issues that appear to be driving costs for all sectors even higher.

A. Cost Implications Inherent in All Maryland Higher Education Projects

USM projects are complicated and subject to a host of requirements related to the operating demands of the campus and the laws/regulations of the State. For example:

Regulatory

As state entities, USM institutions are subject to regulatory requirements that, in addition to the direct cost of compliance, can generate “opportunity costs” in a rising market. Contractors or subcontractors, in some cases, elect to raise prices in response to added paperwork and more requirements or, as has been the case, elect not to bid a job at all and thereby increase the cost by reducing competition. Not every item applies to all projects, but the following examples (listed in order of their likely applicability) are useful:

Briefing Paper on Construction Costs, page 2

- USM Policies and State Statutes and Regulations – Multiple levels of approval and extensive documentation can make State projects less attractive by lengthening bid periods and time between time of bid and contract awards as well as change order processing.
- Board of Public Works Approval Requirements are an important consideration in terms of contract timing. Bidders would need to be aware and incorporate them into their work plan.
- Buy American Steel provisions
- Prevailing Wage – Paperwork and DLLR enforcement, both for CM and subcontractors.
- Minority Business Enterprise requirements, including goals and sub-goals for A/E and contractor. To be counted against goals, MBEs must be MDOT certified. Private projects may have relatively modest goals (if any) and less documentation required.
- Cash Flow Requirements – Projects may be phased or slowed down to match state funding, possibly incurring additional costs for escalation, general conditions and temporary construction. Bond premiums are applied to projects longer than 24 and 30 months.
- Bonds and Insurance may not be required in private sector.
- Green Building Certification – Goal of LEED Gold, Silver is mandatory, with other mandatory requirements as set by MD Green Building Council. Private projects include measures to the extent the market requests them. The State uses 2% as a rule of thumb, but the actual costs vary.
- Maryland Department of the Environment – The University may be expected to exceed Maryland’s stringent Storm Water Management and Sediment and Erosion Control requirements
- Local Jurisdictions – The University may be held to a higher standard in Developer’s Agreements and Minor Privilege work in the Public Right of Way.
- Light Pollution, trespass and efficiency standards
- Historic Preservation – The University may be held to higher expectations.
- Public Art - 0.5% added to projects

Logistics

Campus environments are uniquely crowded, busy places, often 24 hours a day. Timing of projects around class schedules and academic calendars to minimize disruption of campus operations is an issue. Often, facilities being renovated must continue in operation (at least in a limited way). Parking, staging and access issues are exacerbated in an urban campus setting. Contractors build these temporal and spatial restrictions into their bids as contingencies.

Scope

University projects are typically more comprehensive than comparable private sector projects. University projects may include the elements noted below. And although some of these may be

Briefing Paper on Construction Costs, page 3

required of a private developer, they are generally not included in quoted cost-per-square-foot comparisons.

- Demolition and abatement costs
- Central Utility Plant upgrades
- Developer quoted \$/sf often does not include all tenant fit-out costs
- New utility connections such as electric, telecommunications, steam, or chilled water beyond what would typically be in a private development
- Extensive site work outside the project limits, such as roads, sidewalks or new quads
- Phasing or enabling work; ancillary construction to permit the main work to proceed
- Public Safety issues, lighting, security systems, emergency communication, etc.
- Standards of construction, University buildings are built to be highly efficient and maintainable throughout a fifty year life, with the structures themselves built to stand up to 100 years or more; with the internal flexibility to reconfigure and replace components throughout that life.
- Higher levels of system reliability and redundancy for some University projects, particularly teaching and research lab facilities.

Comparable Projects

Many University projects, especially research oriented projects, lack good examples of comparable private sector construction. In other words, valid comparisons of higher education projects with those in the private sector cannot be easily made, nor should they be the basis of policy decisions at the State level.

Experiences Outside Maryland

Institutions in other states experience the same types of unusual impacts on construction cost. A recent presentation ([link here](#)) by the facilities office from the University of California, Santa Cruz stated that, *“when comparing cost per square foot, cost per bed, or total project costs of apparently similar projects, it is important to know the scope of the projects in the comparison. The scope of a public UC project is likely to be different than a similar project in the private sector.”*

Issues listed included: Occupancy by the owner, program complexity, a long-term investment in durability and operational efficiency, the obligation of the project to support campus infrastructure. Ultimately, the presenters determined that *“UC may expend greater initial cost to gain greater long-term value.... Public university projects represent long-term investments in the on-going development and re-development of campus buildings and infrastructure in support of the academic mission... Costs for equivalent scope (are) usually higher within the UC than for projects built by private developers.”*

Another recent post by the Helbling Associates ([link here](#)) includes the headline: “U.S. Higher Education Construction Shows No Signs of Slowing Down.” The article includes the following:

Briefing Paper on Construction Costs, page 4

Not only are there a multitude of projects going on, but the costs of some of the capital construction programs are astounding. And, there's no end in sight. Competition is strong in higher education, and institutions need to keep pace by building new facilities and modernizing/updating old ones for aesthetic and operational purposes and to continue attracting students.

According to ARC, a technology and document solutions company for facilities management, competition and changes in enrollment are challenging colleges and universities of all sizes. The firm says a survey commissioned by the Association of University Directors of Estates (the UK's equivalent of our APPA/Facilities Officer organization) reported that 67% of respondents (students) viewed facilities as critical to making their college decision, while only 47% said reputation was important. What do they pay the most attention to? - Recreation centers, dining halls, career services, and other similar facilities...

A recent construction brief in College Planning & Management that outlined what keeps these professionals up at night resonated with us...

Top challenges of major capital construction programs on higher education campuses

- *Aging workforce - Numerous retirements within design, construction, and facilities teams expected over the next several years.*
- *Allocating and building adaptable/flexible space.*
- *Following rules and regulations for zoning and permitting.*
- *Balancing reactionary vs. proactive approaches to diverse projects.*
- *Preparing space and facilities for future technology advancements.*
- *Weighing the benefits of public-private partnerships versus conventional funding, and initiating the concept when appropriate.*
- *Minimizing inconvenience and distractions, and maintaining operations through construction and renovations, while also making process efficient. Determining optimal times for projects to be completed.*
- *Mitigating potential negative impact of bureaucracy on delays and costs relating to vendor selection and procurement.*
- *Addressing and adequately planning for deferred maintenance.*
- *Finding construction materials that match those used in older buildings.*

The bottom line is that higher education projects are unique among construction projects in general, yet they are similarly complex and higher cost no matter where they're built.

B. Market-Driven Impacts on Cost

In general, there appears to be some increases in certain materials and equipment, but these tend to be cyclical. An even larger issue affecting construction Nationwide appears to be labor costs. Currently, this situation will not be resolved until the market slows down.

Material costs are fluctuating. Recent project bidding on a Baltimore area project has resulted in a 20 – 30% increase in metal based materials (steel, reinforcing, metal studs, curtain wall, ductwork, piping, metal panels, and conduits). With material costs accounting for approximately 40% of the budget, this has been a tremendous impact on project budgets. This can be attributed

Briefing Paper on Construction Costs, page 5

to tariffs, but is also seasonally affected by major storm damage across the U.S., fires in California, storm damage across the mid-west, the south and the U.S. Virgin Islands, all areas where restoration and re-building is still occurring. The need for materials such as drywall and lumber in these areas has led to high demand, low supply and higher costs nationwide.

On the labor front, subcontractors are able to decide what projects they want to be involved with and avoid those projects with inherent “risks” to their profit (e.g., difficult access, transportation, regulation). Where hard prices are sought, they often include a significant increase to account for these risks. Regional differences within the State are enhanced in this market, with the Eastern Shore posing a particularly difficult challenge. An article in the Baltimore Sun ([link here](#)) last December, included the following:

Some construction projects in Maryland are costing tens of millions of dollars more than original estimates, in large measure because of a lack of skilled trades in the region... “It was about 2014 when the labor shortages started appearing, first in the D.C. submarkets then in Baltimore a couple years later, then fairly prevalent throughout the state now,” said Maryland Center for Construction Education & Innovation President Bob Aydukovic. He said that the labor shortages in Maryland, and nationally, can be traced back to the Great Recession of 2008 to 2009....

Issues include a high demand for and low supply of skilled workers, which result in higher wages, adjustments to the scope of projects and rebidding trade packages. [Project] documentation also indicated that multiple large mechanical, electrical, and plumbing contractors are no longer in business....

Lt. Gov. Boyd Rutherford said during the board meeting that Maryland lacks skilled workers who are able to fill in-demand, high paying jobs. “I would like to see more students in Maryland be exposed to apprenticeships and skills training opportunities so they are aware of all of their options for employment,” Rutherford said in a statement...

The cost of labor increases in part because people have to make the lumber and materials, which includes production cost, said Aydukovic. The cost of professional services, such as architecture, engineering and financing, also has an additional cost. Aydukovic said that there is wage inflation among construction companies across the United States, “from the lumber yards, to the skilled craftspeople on site, to the professionals in the office that are contributing to the increasing costs of construction.” He said that these jobs, which include the groundwork of being electricians and plumbers, and laborers of a certain sort, take a lot of brains and dedication.

In an October 2019 report in the trade publication EC&M, the Associated General Contractors’ (AGC) Ken Simonson said: "Even more states probably would have posted gains in construction employment if firms could find enough people to hire. They are finding most craft positions hard to fill, even though average pay in construction pays is higher than the all-industry average in nearly every state."

Longer term this situation will exacerbate. According to NCCER’s report ‘Restoring the Dignity of Work’ of 2018, “The average age of a craft professional is 47. In 2019, the last of the Baby boomers turn 55. By 2024, many will begin retiring. Eight years from now, 29 percent of the current construction workforce will retire in 2026. Thirteen years from now, 41 percent of the current construction workforce will retire in 2031. Considering the time it takes for an individual

Briefing Paper on Construction Costs, page 6

to become fully trained as a construction craft professional (8 to 12 years depending on the occupation), we should have already started addressing this challenge.”

The AGC says: "Contractors across the nation are taking steps to alleviate labor shortages, including hiking pay, expanding training programs, and becoming more efficient. But they cautioned that many firms report labor shortages are affecting construction schedules and costs. They urged Congress to pass measures to boost career and technical education and provide a lawful way for more immigrants with construction skills to enter the country."

USM Projects

Just one example of this market impact on a recent USM project is the recent release of bid packages for the new Pharmacy Building at UMES where two of the four intended mechanical bidders dropped out when the Bay Bridge repairs were announced by the State. As subcontractors are more able to “pick and choose” their work, and as more suffer from a shortage of skilled labor, it is likely more projects will suffer.

The current construction market is very busy with high costs. The UMD and UMB Service Centers have seen total project cost increases form the original budget in the range of 17% to 37% for projects currently in design or bidding.

We have a very strong economy with a lot of construction in the state with even greater concentration in the Maryland region. In Washington D.C. major development continues around the ballpark and soccer stadium and Phase 2 of the “Wharf” project is underway. New development continues from Alexandria to Arlington in Northern Virginia. Around Dulles Airport, multiple large projects continue, including a data center complex of four buildings that had 1,300 workers on the site working seven days per week. Also, construction of the Purple Line is underway.

The extremely busy construction market has resulted in a high demand for skilled workers but the supply of qualified workers is low, driving up wages as contractors compete for workers. We are currently seeing the lowest unemployment in the construction market in over a decade. The union benches are empty of employable trade workers. The deficit of trade workers has given the ability of the unions to ask and have annual salary increases, and there is another 4% salary increase expected this year.

As an example of the extreme shortage of skilled trade workers, at one of the UMCP projects the builder needs 60 carpenters to meet the schedule, but they are only able to find 30 carpenters that have the qualifications to work on a multi-story building. Similarly, at one of the UMB projects, weather delays that would be best mitigated by working two shifts are causing schedule extension due to insufficient manpower availability.

A study published by the AGC in August 2019 ([link here](#)) by the AGC reported that *“eighty percent of construction firms report they are having a hard time filling hourly craft positions that represent the bulk of the construction workforce... Association officials said the industry was taking a range of steps to address the situation but called on federal officials to takes steps to assist those industry efforts. ‘Workforce shortages remain one of the single most significant threats to the construction industry,’ said Stephen E. Sandherr, AGC’s chief executive officer. ‘However, construction labor shortages are a challenge that can be fixed, and this association will continue to do everything in its power to make sure that happens.’”*

Briefing Paper on Construction Costs, page 7

In Maryland, market conditions and the lack of skilled labor forces have resulted in higher bid numbers and/or low interest in bidding which in some cases have resulted in the need to re-bid packages to garner adequate competition. Other factors also contributed to this problem. The construction industry in this region lost multiple large Mechanical, Electrical and Plumbing subcontractors that went out of business following the 2009 recession, and those companies have not been replaced. Trade sub-contractors are not able or willing to expand their companies at this time, as there is no availability of labor to expand if they wanted to.

The unpredictability of these factors has driven sub-contractors to carry additional contingency in their bid numbers. Contractors working on non-USM projects are having to negotiate with sub-contractors rather than getting a hard bid from them.

Finally, a recent meeting of the Construction Managers Association of America (CMAA) focused on construction economics in the DMV region. Some of the key points made were:

- *Market Capacity is the biggest driver affecting project costs*
- *60-70% of project costs are related to the cost of labor*
- *Number of folks in the trades in this market peaked in 2006 at 195K, now at 163K, which is equal to 2001*
- *Market Capacity in DC is \$26.6B; Market Capacity in Baltimore is \$8.3B*
- *DC is currently the 5th largest construction market in the US*
- *80% of the construction firms expect to have difficulty filling positions in the next 12-14 months*
- *Prefab/modular volume not expected to overtake labor shortage in the near future*

II. WHAT SOLUTIONS CAN HELP REDUCE COSTS?

Many of the following best practices are already being implemented by the two project Service Centers at UMCP and UMB. Both groups are dedicated to continuous improvement and are working together on shared solutions to common problems.

A. Selecting the Most Effective Project Delivery Method

Choosing the most effective way of delivering a project is one means of getting the best value from our limited budgets in this constrained market. A 2015 report for the Joint Chairs of the Budget Committees of the General Assembly, prepared together with USM, DGS and DBM, clearly demonstrates this value. Our Regent Policy-preferred Construction Manager At Risk (CMAR) method is a big part of our success to-date; and a number of projects are also being managed as Design-Build (e.g., UMCP Chemistry and BSU Humanities), which further enhances the benefits to schedule and cost.

The following depicts major projects completed by the System since July 2015:

*Briefing Paper on Construction Costs, page 8***University System of Maryland (USM) Service Centers Projects Update**

Project Delivery Method	Number of Projects	Total Budget Approved	Total Project Cost
Construction Manager at Risk (CMAR)	31	\$ 1,982,700,767	\$ 1,936,791,882
Design-Bid-Build (D/B/B)	4	\$ 22,506,677	\$ 21,192,083
Design-Build Contractor (DBC)	8	\$ 157,120,414	\$ 149,718,812
Other	2	\$ 1,768,305	\$ 1,716,459
	45	\$ 2,164,096,163	\$ 2,109,419,236

An Appendix (herein) explains each of these delivery methods in more detail.

B. Adopting Creative Construction Techniques

Technology is changing quickly. It's critical that we stay abreast of new trends and other changes that may help improve quality and reduce cost. Furthermore, we design the structural components of our buildings to last 100 years, knowing that the systems and internal structures will change over time. We should discuss the value in this longevity and find ways to improve flexibility for the future. We may also wish to reconsider the designers we use and seek to broaden the lists of firms (where possible) to capture the most creative ideas. Finally, contracts should be regularly updated to capture best practices from all sources.

Modular Construction

One particularly useful technology is permanent modular construction. Pre-fabrication is becoming quite common in nearly all projects. Modular construction, per-se, is a possibility for some project types. As described by the industry ([link here](#)), this is a “*process in which buildings are manufactured off-site in factories, under strict quality controls, but using the same building codes and standards as conventional construction methods. These buildings are made in modules or small parts, which are transported to the construction site and assembled.... Permanent modular construction (PMC) is a sustainable building method, which uses lean manufacturing techniques to prefabricate single- or multi-story buildings in modular sections. PMC modules can be adapted to existing buildings or assembled by themselves. These modules can be completed with mechanical/electrical/plumbing appliances and interior finishes in less time than their site-built counterparts.*”

Not every building type is a candidate for a modular solution. Common applications of modular technology include housing, medical offices, maintenance facilities, and support buildings. For a college campus, residence halls are an option, as are smaller administrative service buildings and remote research facilities.

Even where modular construction opportunities may be limited (e.g., in an urban setting), modular options still exist. UMB’s Health Sciences Facility III made extensive use of prefabricated components in the construction of its central utility infrastructure, resulting in reduced costs.

Few large projects are completely modular. Some require more traditional techniques (e.g., on ground floors or for areas with higher ceiling requirements) be matched with modular building. Regardless, the result can, according to the literature, save both time and money for the owners. This is due to a number of advantages (source links [here](#) and [here](#)), including:

Briefing Paper on Construction Costs, page 9

Speed of build. *Modular building projects can be completed 30-50% quicker than traditional construction methods. By choosing to build modular, the indoor construction process can take place alongside site and foundations work and there's no need to worry about weather delays.*

Off-site construction. *Modular buildings are constructed off-site in modules and are then brought to your site in flat-packed panels, ready to build. Building off-site is transforming the construction process for businesses, schools and individuals, ensuring better construction quality management and less disruption.*

Elimination of Weather Delays. *60-90% of the construction work is completed in a closed factory environment, and this mitigates the impact of unfavorable weather. With conventional construction methods, work must often be suspended completely on days with harsh weather conditions.*

Minimal impact on your business. *The beauty of building modular is that it removes 80% of the construction activity away from the actual site location – so you can keep your school or business running smoothly with minimal impact and disruption.*

Eco-friendly materials. *Modular buildings are kind to the environment – they are built with eco-friendly building materials and are leading the market with the use of recycled materials. The off-site construction process ensures less waste, too. One of the benefits of modular construction is that you can be sure that you are investing in a sustainable construction process from start to finish.*

Cost-effective. *Modular constructions are very cost-effective, with flexible payment options available and a shorter construction time. The design service is often included too so you don't need to worry about architect costs on top of building expense.*

Flexibility. *Many modular buildings can be disassembled and relocated for new purposes, reducing the demand for raw materials and energy usage required for construction. Even if the project used Permanent Modular Construction, recovering materials and modules is simpler than in a normal building.*

Less Material Waste. *Waste is eliminated by recycling and controlling inventories. Building materials are also protected from the weather since everything is kept inside the factory. Modular construction also makes it easier for construction workers to prevent waste, since there is greater control over project conditions.*

Strength. *Modular buildings are generally stronger than site-built structures because each module is designed to withstand transportation and lifting. Once together, the modules are securely joined into a whole integrated assembly.*

Air Quality. *Factory controlled settings allows materials to remain dry during all stages of construction. Therefore, the level of trapped moisture in new constructions is reduced, improving air quality. This helps control mold, dust mites and other organisms that thrive with moisture.*

Briefing Paper on Construction Costs, page 10

Safety. Working indoors allows a safer environment, it reduces risk and hazards present in construction sites. With conventional construction methods, work must often be performed at height or in uncomfortable positions where accidents are more likely.

A USM Pilot Project

UMBC very recently awarded a design/build contract for its new Health Services & Counseling building that will be built using permanent modular construction.

The Board of Public Works approved the contract award on 1/29/20. The RFP for the project included the following:

“Operations in the existing Student Conduct and Community Standards building dictate the facility cannot be vacated until December 21, 2020 and operations in the new Health Services and Counseling Building must commence by August 2021. The University anticipates the employ of expedited delivery methods such as early packages, expedited MDE review and offsite prefabrication of this permanent modular building.”

We’ll work with UMBC to monitor the project’s progress and the benefits we see along the way.

C. Strategic Capital Budgeting Decisions

Improved utilization of existing facilities and even changing the nature of the type of projects we include in the capital queue (e.g., our continued focus on renewal and renovation in lieu of new construction) could impact the affordability of our capital program in the short term. All are potential considerations now or in the future.

D. Improved Service Center Coordination

The two USM Service Centers have traditionally worked well together. Improved coordination between the two Centers in terms of sharing information and best practices is, however, always a goal for both of them. We find that cost per square foot data provided by the USM Service Centers are fairly consistent for new construction when the comparison includes the costs for both structure and equipment. The renovation costs per square foot are more difficult to compare because they often include required infrastructure improvements to the existing facility. It is difficult to compare one renovation with another even when both are on the same campus.

When preparing a Cost Estimate Worksheet (CEW) for a new project and/or reviewing a CEW for an update, the UMB Service Center is comparing the other USM Institution projects within CBIS to ensure that similar projects are in alignment with what our data base of completed project costs and contractor input reflects.

The Service Centers have scheduled periodic collaboration meetings to exchange cost information, market conditions, procurement ideas, and lessons learned. ■

APPENDIX

DESIGN/CONSTRUCTION SERVICE CENTERS AND DELIVERY METHODS: ADDING VALUE, EFFECTIVENESS AND EFFICIENCY TO USM PROJECTS

Revised 5/14/19

SERVICE CENTER HISTORY AND ORGANIZATION

The centralization of design and construction was deliberate and stems from the delegation of project management authority that was granted the University System from the State. Previously, our projects were managed like all other State agencies via the Department of General Services (DGS).

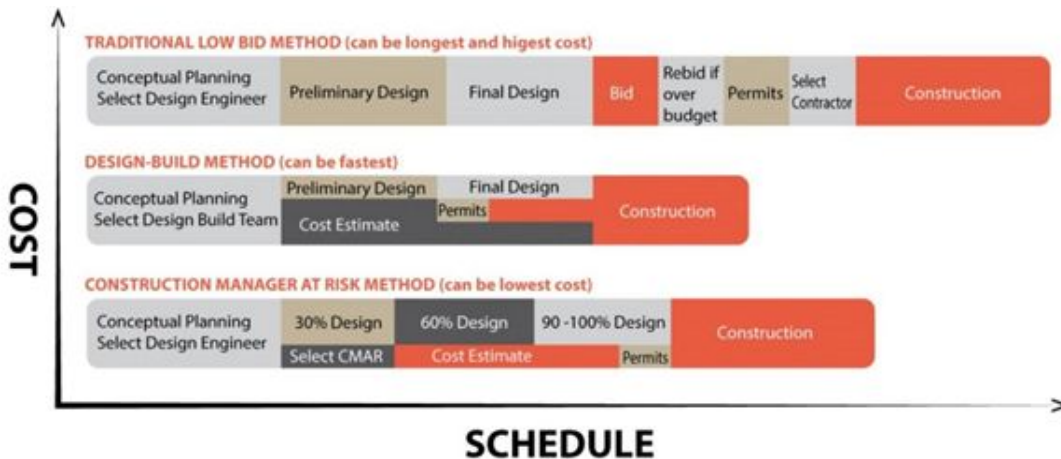
In the early 1990s, project management authority was granted to the University System Chancellor, with the understanding that we would continue to follow State procurement laws, etc. At that time, the Board directed the Chancellor (in policy) to *"establish service centers to procure and manage certain public improvement projects, determine procedures for the operation of such service centers, review periodically the performance and operation of the service centers and their relationship with System institutions, and resolve disputes arising in connection with implementation and interpretation of this policy."* ([Link here](#))

Ultimately, two "service centers" were established at College Park and in Baltimore, and institutions of the USM were assigned to one or the other. The delegation has been very beneficial to the institutions of the USM in that it allows more control over scope and budgets.

During the 2015 Session, the Maryland General Assembly asked the USM Service Centers and our counterparts at DGS to prepare a survey of performance, cost control, etc. The report originated from questions about our preference to use Construction Management at Risk (CMAR) as a delivery method. The report was well-received and supported the continuation of delegation to the USM, along with our CMAR approach. The report included the following:

"For capital projects executed by UMB or UMCP on behalf of their client institutions within University System of Maryland, the client institution is responsible for all project programming and planning, and UMB or UMCP manages only the design and construction phases. The two service centers operate with very similar contracts, policies and procedures. The most significant difference is geography. UMCP operates throughout the State, while UMB's projects are all within a forty minute drive of its downtown Baltimore location. This gives UMB efficiencies in operation, especially inspections, unavailable to UMCP.

Briefing Paper on Construction Costs, page 12

**PROJECT DELIVERY METHODS EMPLOYED**

“Both Service Center utilize similar project delivery approaches. The three predominant construction delivery methods for capital construction in the U.S. are Design-Bid-Build (DBB), sometimes referred to as the traditional or General Contracting (GC) method, Design-Build (DB) and Construction Management (CM or CMR for At-Risk Construction Management). These methods vary widely by Owner in their contract terms and allocation of risk. No capital construction project delivery method provides complete protection against unforeseen construction conditions. The risk of unforeseen conditions is not a function of the project delivery method, but is set by the terms of the contract.

“In general, the University uses the same contract terms for DBB and CMR, with the exception that the CM is not entitled to overhead & profit mark-ups on changes due to unforeseen conditions. This removes the CM’s profit motive in “finding” unforeseen conditions. In the industry, CM contracts may be written as either “At-Risk” (CMR), sometimes referred to as CM General Contractor (CM/GC). In CMR, after completion of the design documents for a specific portion of the project, bidding out the trade work and then execution of a GMP for that scope of work, the CM takes on the role and all the risk of a general contractor for cost and schedule. Prior to bidding the trade work, the CM is operating under a Design-To-Budget, not a GMP. After bidding, should the proposed GMP be unacceptable to the University, the University has the options of revising the design, rebidding the work, or canceling the contract.

“One major difference is whether the construction contract amount is a closed book (lump sum) or open book, Guaranteed Maximum Price (GMP). The University uses lump sum contracts exclusively with the Design-Bid-Build method and GMP (At-Risk) contracts exclusively with the CM method. Design-Build contracts may be structured as either closed book/lump sum or open book/GMP. Since under the DBB method, the entire project is bid out at once to General Contractors, the University is not privy as to how the project is subcontracted (with exception of the identified MBE contracts) or how much work the GC is performing, this method does not lend itself to open book pricing. Since the CMR is on board prior to completion of the design and bidding of all trade work (The CMR is not permitted to self-perform trade work unless circumstances arise in which self-performance is found to be appropriate with specific written approval by the

Briefing Paper on Construction Costs, page 13

University), the University can be privy to all the trade contract bidding and awards, thus allowing this method to be open book.

“A fourth way of constructing capital projects involves third party financing through a developer or Public-Private-Partnership (PPP). In this case the PPP finances, designs and constructs (typically through DB or CMR) the facility on behalf of the Owner or its constituents.

The Board of Regents (BOR) of the University System of Maryland (USM) through their bylaws encourages the use of alternative project delivery methods, including CM and Design-Build. The following is an excerpt from USM BOR By-Law VIII-10.30, “Policy on Authority Concerning Certain Capital Improvement Projects”. This By Law was approved by the Board of Regents on May 6, 1994, and amended February 4, 2000:

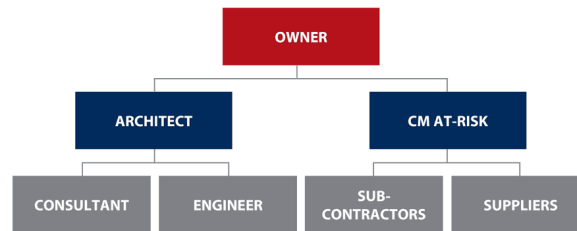
“The Board of Regents desires that the processes employed for the design and construction of capital improvements under its authority make use of the best available management strategies for the implementation of these capital improvements, to ensure a timely and economical result. For projects exceeding \$10 million in construction cost (and for smaller projects where schedules or circumstances may dictate) the Chancellor, in exercising the authority delegated by the Board of Regents, shall require from each president, after consultation with one of the established service centers to whom the authority to manage capital improvements is delegated, an implementation plan to meet the established schedule and budget. The Board prefers that a construction manager be utilized (via contract) to administer these projects. The Board also desires that the service centers employ alternative project delivery systems, such as design/build, where it is reasonable and practical to do so.”

WHAT IS CONSTRUCTION MANAGEMENT?

Construction Management—specifically Construction Manager At Risk (CMAR) as employed by USM—is a best value method that allows for the most owner control of the design; a high degree of cost control, due to its use of two independent estimators; the highest level of quality control; and is more forgiving of unforeseen conditions or other changes since the CMAR receives no profit on change orders, thereby removing the motive to generate change orders.

We select an architect (design team). We also select a Construction Manager (CM), who is hired for a fixed fee (like the design team). The CM is involved throughout the design phase with us and with the design team on issues such as constructability, cost estimating, scheduling, and value engineering. During construction, a CM may assume a number of different roles, depending on their contract.

A CM At Risk assumes the role of constructor of the project. The CM contracts with subcontractors (through a competitive bidding process) to do the work. The CM is responsible for managing the project. The CM provides the owner with a guaranteed maximum price (GMP) or multiple “GMPs” for pre-determined phases or bid packages, assuming the same risks and liabilities as a General Contractor for jobsite safety, cost escalation, and inspection. Fees for the CM are typically equivalent to the overhead and profit a General Contractor would include if the project had been bid.

Briefing Paper on Construction Costs, page 14

Construction Manager is engaged during pre-construction activities.

The input of the CM during the design process is extremely valuable in creating the most cost-effective project. There is an overall savings to the owner, in terms of cost efficiency and schedule, not mention the cooperative nature of the CM process that puts USM and the CM on the "same team" during a project--something that does not occur during a traditional "Design/Bid/Build" or General Contractor (GC) approach, with the owner and the contractor having opposite financial interests.

Likely the most obvious cost benefit of the CM at risk method of delivery is that the owner receives benefits of competition at the trade/subcontractor level while mitigating risks of cost overruns. Ideally, with the CM you get the best of both worlds--fixed price and cost plus contracts. If the total trade/subcontractor work comes in low, the owner benefits like the fixed price contractor would. If the total trade/subcontractor and other costs have overruns, the CM is at risk, and not the owner, for costs over the GMP.

The Construction Manager's role is to advise the Team on the feasibility of the chosen design, provide pricing information throughout the design phase, hire and manage all of the Subcontractors that will be involved in the project as well as to inspect the work during the construction phase. Some advantages of the process are:

- The Owner gets pricing information early-on and as the Project develops.
- The Owner can take advantage of special services such as preliminary feasibility studies, value engineering and life cycle cost analysis. A good Construction Manager can typically earn their fee by reducing overall costs during the planning stage.
- The Project duration can be shortened because the actual construction can begin before the entire design has been completed (these are the "bid packages" noted above).
- Design fees are kept to a minimum and are determined from the beginning of the Project.
- The Construction Manager's fee is established from the beginning of the Project.
- Quality is stressed over lowest price—at least we have the option to seek the best over the cheapest.

CM at risk may lend itself to other benefits, such as fast tracking, preconstruction services, constructability reviews, value engineering, etc. during the design phase, rather than after the design is completed. One benefit we've noted recently is the ability to work closely with the CM to help guide subcontracts to meet MBE goals. Use of the CM methodology has been key to the successes we've seen on our construction-related MBE numbers.

*Briefing Paper on Construction Costs, page 15***STATE RESPONSE TO THE 2015 REPORT**

Excerpt from the “2016 Session Capital Budget Overview”

The 2015 JCR included narrative directing DBM, DGS, and USM to report on the State’s abilities and effectiveness in managing capital construction projects. The report draws heavily from a report provided in 2008, the 2008 Alpha Corporation report, which found that DGS and USM utilize different processes and procedures for managing projects, and both performed well and effectively utilized State resources. Specifically, the report found that both DGS and USM had adequate policies and procedures in place, were effectively managing project schedules, and effectively minimized disputes and delays.

Since the publication of the Alpha report, DGS and USM have continued to utilize the same basic processes and procedures. Focusing exclusively on construction-related costs since cost overruns are almost entirely confined to the construction phase of projects, the new report found that the data provided demonstrates once again strong performance by DGS and USM in effectively managing projects and State resources.

DGS and USM generally employ similar processes and procedures for project oversight, documentation, inspections, and change orders. The primary differences are mostly attributable to the different types of projects undertaken and the background and expertise of their respective staffs. With respect to project construction management delivery methods, DGS generally uses the conventional design/bid/build process and manages projects that often entail buildings that will be utilized for traditional office tasks or secure detention. USM, however, tends to have more complex and expensive projects and tends to use construction management at risk project delivery.

Although different project delivery methods are traditionally used by the two agencies, both have developed familiarity and expertise in using their preferred method that enables both agencies to effectively manage projects within budget. Moreover, the report also finds that although both agencies tend to use different project delivery methods, the difference is not indicative of any one method performing better than the other and generally points to the types of projects undertaken and the experience of the staff.

Based on the data, DGS undertook 32 projects and cumulatively was under budget by \$6.3 million. The USM cost center at the University of Maryland, Baltimore undertook 30 projects that were cumulatively \$13.1 million under budget. The USM cost center at UMCP undertook 20 projects included in the CIP that were cumulatively \$31.3 million under budget and an additional 153 projects not included in the CIP that were cumulatively \$60.5 million under budget. Some of the general findings include:

- ***Overall, the data demonstrates that most projects undertaken are completed at or below budget and that cost overruns are generally isolated and have unique and isolated circumstances and there does not appear to be any trend indicative of poor performance that would suggest specific changes in procedures are necessary.***
- *Both DGS and USM believe that existing processes and procedures are working effectively as evidenced by the majority of projects completed on time and under budget.*

Briefing Paper on Construction Costs, page 16

Although the report concludes that both DGS and USM are performing well, both offered some suggestions to improve overall efficiency.

Suggestions (from) USM

- *Streamline the process for Board of Public Works (BPW) contracts.*
- *Improve the Minority Business Enterprise (MBE) process including accepting MBE reciprocity from federal government and other Maryland jurisdictions and states, and classifying MBE vendors by the size of projects the vendors are able to perform.*

Suggestions (from) DGS

- *Increase the procurement authority threshold requiring BPW approval from the current \$200,000 threshold to the \$500,000 threshold for USM and other independent procurement agencies....*
- *Address regulatory reform to create an expedited review process with the various State agencies including but not limited to the State Highway Administration, the Maryland Department of the Environment, the Department of Natural Resources, and the Maryland Historical Trust to aid in decreasing the amount of time to complete State construction projects.*

USM Project Construction Costs: Challenges and Solutions

USM Office of Capital Planning
USM Office of Procurement
UMCP Project Service Center
UMB Project Service Center

Board of Regents Finance Committee
March 26, 2020



Presentation In Two Parts:



- 1. What drives the cost of USM projects?**
- 2. What solutions can help reduce those costs?**



2



1. What drives the cost of USM projects?

- **General cost implications inherent in all Maryland higher education projects**
- **Market-driven impacts on costs**

3



What drives the cost of USM projects?

General: **Regulatory**

- USM Policies and State Statutes and Regulations
- Board of Public Works
- Buy American Steel
- Prevailing Wage
- Minority Business Enterprise requirements
- Cash Flow Requirements
- Bonds and Insurance
- Green Building Certification
- Maryland MDE and DNR Requirements
- Local Jurisdictions
- Light Pollution, trespass and efficiency standards
- Historic Preservation
- Public Art

4



What drives the cost of USM projects?

General: **Logistics**

- 24 hours/day schedules
- Timing around academic calendars
- Need for continuous operation
- Limits to parking and staging—particularly in urban areas



5



What drives the cost of USM projects?

General: **Scope**

- Demolition and abatement costs
- Central Utility Plant upgrades
- New utility connections
- Extensive site work outside the project limits
- Phasing or enabling work
- Public safety issues, lighting, security, etc.
- Higher levels of system reliability and redundancy



6



What drives the cost of USM projects?

General: **Comparability**

- Higher Ed projects lack good comparable examples in private sector
 - (e.g., Research facilities, teaching laboratories)
- Valid per SF cost comparisons difficult
- Examples:
 - Tenant fit-out (developer building) not included in per SF costs
 - Standards of construction
 - Highly efficient, flexible configurations
 - Structurally to 100 years (with multiple renovations over time)

7



What drives the cost of USM projects?

Market: **Materials Costs**

- Materials costs up to 40% of budget
- Costs fluctuate based on events, market
- Possible factors affecting market (examples)
 - Tariffs (and talk of tariffs)
 - Hurricane rebuilding (US and Caribbean)
 - Midwest flooding
 - California fires
 - Oil prices (plastics, transport)
 - Recent bidding resulted in 20-30% increase in metals
 - Drywall and lumber costs are higher



8



What drives the cost of USM projects?

Market: Labor Costs

- **Market Capacity is the biggest driver affecting project costs**
- 60-70% of project costs related to labor
- Trade workers in regional market peaked in 2006 at 195K, now at 163K (same as 2001)
- Market Capacity in DC is \$26.6B (5th largest in the US; Balt \$8.3B)
- 80% of the construction firms expect to have difficulty filling positions in the next 12-14 months
- Contractors/subcontractors can be selective
 - Many choose to avoid “risky” projects
 - Or they build-in higher costs to account for those risks
- High demand + low supply = higher wages—particularly MEP

[Construction Managers Association of America, January 2020]

9



What drives the cost of USM projects?

Market: Labor Costs

- Increases on our projects have ranged from 17% to 37% over original cost estimates because subcontractors can “pick and choose”
 - Example: UMES Pharmacy—Two of four mechanical bidders dropped out when State announced Bay Bridge repairs
- Major Regional/DC development, also VA, Arlington and Dulles Airport; and Purple Line
 - Example: One data center utilized 1,300 workers daily
- Lowest unemployment in construction in over a decade
 - Example (UMCP): Builder could only field 30 of 60 carpenters needed
 - Example (UMB): Where weather delays could be mitigated with two shifts, worker shortages prohibited it
- Many large subcontractors in critical specialties have closed

10

2. What solutions can help reduce costs?

- **Effective project delivery**
- **Innovative technology**
- **Focused goals & processes**
- **Improved data sharing**


11

What solutions can help reduce costs?

- **Selecting the most effective project delivery method**

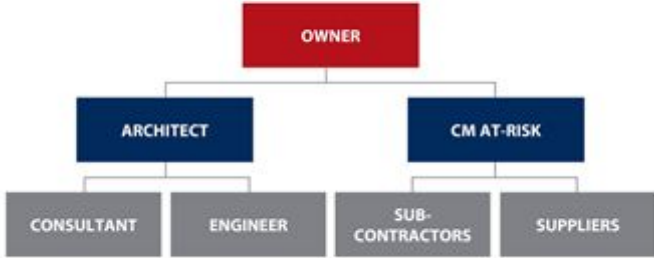


12

 UNIVERSITY SYSTEM
of MARYLAND

Selecting most effective project delivery methods

CONSTRUCTION MANAGER AT-RISK




```

graph TD
  OWNER[OWNER] --- ARCHITECT[ARCHITECT]
  OWNER --- CM[CM AT-RISK]
  ARCHITECT --- CONSULTANT[CONSULTANT]
  ARCHITECT --- ENGINEER[ENGINEER]
  CM --- SUB[SUB-CONTRACTORS]
  CM --- SUPPLIERS[SUPPLIERS]
  
```

Construction Manager is engaged during pre-construction activities.

13

 UNIVERSITY SYSTEM
of MARYLAND

The advantages of “CMAR”

- A "best value" method that allows for owner control
- Best of both worlds: fixed price and cost-plus contractors
 - If trade bid comes in low, we benefit
 - if trade bid comes in high, the CM is at risk
- High degree of cost control (two estimators)
- More forgiving of unforeseen conditions
- CMAR paid with fee, not motivated to generate change orders; and a good CM can typically save costs equal to their fee
- Project duration can be shorter because the actual construction can begin before the entire design has been completed
- Design fees are kept to a minimum
- Quality is stressed over lowest price
 - Option to seek the best over the cheapest if in best interest of owner
- CM method lends itself to other benefits (e.g., fast tracking)

14



What solutions can help reduce costs?

- **Adopting creative construction techniques where they add value**



15



Advantages of Modular Construction

- Speed of build
- Off-site construction
- Elimination of Weather Delays
- Minimal impact on business/operations
- Eco-friendly materials
- Cost-effective
- Flexibility
- Less Material Waste
- Strength
- Air Quality
- Safety



16

Modular construction timeline



UMBC "Pilot Project"

- Permanent Modular Construction
- Tight timeframe for campus (August 2021 operation)
- Anticipate cost savings as well
- Will monitor and report progress/results

17

What solutions can help reduce costs?

- **Focused goals & processes**



18

What solutions can help reduce costs?

- Improved data sharing & coordination



19

Conclusions & Discussion

20



REVISED

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: USM Enrollment Projections: FY 2021-2030

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The Board of Regents III.4.10—Policy on Enrollment requires the Chancellor, in consultation with the presidents, to present an enrollment plan to the Board each year. Each institution is charged with having a well-coordinated enrollment management strategy based on the short-term realities that support the operating budget request and the long-term campus plan that supports the long-term capital needs.

The USM Office works in collaboration with the institutions to insure the accuracy of these projections by sharing supporting data, sharing analyses enrollment trends, and discussing the proposed enrollment plans with the campus leadership. Any significant issues are discussed and resolved, and the projection submission is modified when necessary. In recent years, this process has helped to develop enrollment plans that are more realistic with and increasingly more accurate for most USM institutions.

Following review and any institutional discussion, the USM Office aggregated all of the submissions received to date. While the USM short-term enrollment projection for fall 2020 is expected decrease again, most institutions are planning long-term growth.

Highlights of this year’s projections include:

- Overall headcount is projected to decrease 675 students in Fall 2020 from 172,214 to 171,539. Without UMGC, growth in Fall 2020 is expected to be approximately 0.4%. These projections reflect enrollment stabilization at some institutions, expected decreases at some institutions, and the manageable growth plans expected at other institutions.
- Overall projected headcount growth for the ten-year period is 4.4%, an increase from 172,214 to nearly 180,000. This long-term projection is about 8,000 students less than the long-term projection submitted last year.
- Undergraduate enrollment is projected to expand 4.6% over ten years from 132,385 to 137,834.
- Graduate enrollment is projected to grow by 5.3% for the ten-year period from 39,829 to 41,944.

ALTERNATIVE(S): This item is presented for information and discussion purposes.

FISCAL IMPACT: This item is presented for information and discussion purposes.

CHANCELLOR’S RECOMMENDATION: This item is presented for information and discussion purposes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

**USM Enrollment Projections
FY 2020 (Fall 2019) through FY 2030 (Fall 2029)**



**UNIVERSITY SYSTEM
of MARYLAND**

**Submitted to the Board of Regents' Committee on Finance
March 26, 2020**

Office of the Vice Chancellor of Administration and Finance

Enrollment Projections: FY 2020 (Fall 2019) – FY 2030 (Fall 2029)

Overview

The purpose of this annual report is to provide the Board of Regents with the institutional student enrollment and full-time equivalent (FTE) enrollment projections, as required in *the Board of Regents III-4.10 - Policy on Enrollment*. The aggregate and institutional enrollment projections in this report are informed by internal campus strategies for managing enrollment to meet the access mission of the institutions, provide increases in key workforce development areas, and enhance higher education quality in Maryland. Each USM institution is expected to have a well-coordinated enrollment management function that reflects near-term and long-term operational realities, including demographic and economic trends, mission-related needs, capital requirements, and a set of annual enrollment targets that are appropriate to achieve the campus' long-term enrollment goal.

Based on the most recent campus enrollment projections covering the period FY 2021-FY2030, the University System of Maryland projects that, following an unplanned enrollment decrease in Fall 2019, overall enrollment in the USM will continue to fall over the near-term, decreasing approximately 675 students next year (fall 2020) and another 630 decrease in fall 2021. Beginning in fall 2022, however, USM projects that enrollment will begin to incrementally rebound, increasing by approximately 1,000 students per year thereafter through Fall 2029. Overall, the USM's enrollment growth over the next ten years is expected to be 7,564 students, to bring total enrollment to 179,778 by Fall 2029. The aggregate enrollment plan for the USM calls for prolonged enrollment recovery or stability at most institutions over the FY 2021-FY 2030 period. During that time, campuses expect to shift enrollment to meet their institutional commitments under the Workforce Development Initiative and at USM's regional centers.

Highlighted Findings

Tables 1 through 13 summarize the ten-year projections from FY 2020 (Fall 2019) to FY 2030 (Fall 2029) by institution, by student level, and by overall enrollment demand. The tables also provide detailed projections for each institution and for the entire System over this period.

- USM's aggregate institutional enrollment will decrease 675 students in the short-term, between Fall 2020 and Fall 2021, primarily driven by large decreases at UMGC. After excluding UMGC, the increase is expected to be 0.4% or a +500 students (see Table 1 and Table 2).
- USM is projecting stable FTE. In most instances, changes in FTE reflected changes in headcount enrollment, but with UMGC's projected headcount decrease, the negative impact to FTE was minimal.
- Over the long-term, headcount enrollment for the ten-year period is projected to increase 7,544 students (4.4%) from 172,214 students in fall 2019 to 179,778 students in fall 2029. If UMGC is excluded, the projected growth over the ten-year period will be 5,834 students (5.1%), which will increase student enrollment from 113,933 in Fall 2019 to 119,767 in Fall 2029.

Institutional Summaries

Enrollment Recovery and Long-term Growth: +1,241 students

- Coppin University's total enrollment has steadily decreased over the past 11 years. However, Fall 2019 marked the first time in eight years that undergraduate enrollment at Coppin increased. CSU will maintain the recent undergraduate enrollment success over the short-term with incremental long-term enrollment growth. At the undergraduate levels, housing remains limited and is the primary factor limiting the size of cohorts and impacting retention. Long-term growth will be achievable only with more student housing. At the graduate level, Coppin plans to double the number of full-time students and increase part-time students by 44%. In total, Coppin projects an enrollment increase of 437 students (+16%), and this represents 6% of USM's total long-term increase.

- Frostburg State University's fall enrollment decreased for the fourth year. In the short-term, Frostburg is focused on enrollment stability followed by small, incremental undergraduate enrollment increases of 20-40 students per year, primarily driven by retention. Included in the enrollment plan is more enrollment at USM-Hagerstown. In total, Frostburg plans to grow 295 students (+5.7%) by Fall 2029, an increase that represents 4% of USM's total long-term growth.

- University of Maryland Eastern Shore decreased enrollment -35% during the past four years of enrollment losses. In the short-term, UMES will stabilize enrollment through retention and re-establishing enrollment pipelines. Once stabilized, the long-term enrollment plan calls for incremental increases in new students and further improvements in retention. With new graduate academic programs, graduate enrollment is also expected to grow 20%. In total, UMES is planning to increase long-term enrollment by 509 students (+17.6%), which represents 7% of USM's total enrollment increase.

Continuing Long-Term Growth Plans: +5,295 students

- After three years of strong enrollment growth, Bowie State University decreased enrollment last fall. Student housing limitations were seen as contributing to the lower-than-expected yield for first-time, full-time students. With new residential facilities coming online, Bowie's plan is to focus on recent high school graduates, which in turn is expected to help recruitment and retention over the long-term. In addition, Bowie is planning growth at the graduate level (+28%) and significant growth at regional centers. In total, Bowie's enrollment projections call for 944 more students or 15.3% enrollment growth. Bowie's plan represents 12% of USM's total long-term enrollment growth.

- Salisbury University's enrollment has remained stable between 8,600-8,700 students for nine years. Last year, Salisbury submitted a long-term growth plan, and in Fall 2019 Salisbury grew. This year's projections follow a similar plan and trajectory to grow the institution 12% with increases in new undergraduate and graduate students. In total,

Salisbury is planning to increase enrollment 1,048 students (12%), which represents 14% of USM's total long-term growth.

- After an all-time high number of first-time students, Towson University decreased first-time students in fall 2019. This return to a "right-sized" cohort accounted for the small enrollment decrease over last year, but, in general, Towson's enrollment remained in line with that of previous years. Towson's enrollment projections for this year follow similar enrollment plans it has submitted in the past. Towson will pursue small, incremental growth at the undergraduate level, with very small and incremental growth at the graduate level. Towson has followed this trajectory for years and continues to grow and plan for long-term growth. In total, Towson's enrollment projections call for 1,161 more students (+5.1%), representing 15% of USM's long-term growth.

- University of Maryland, Baltimore has slowly increased enrollment each year. UMB's long-term growth projections focus primarily on undergraduate transfers and with programs at the Universities at Shady Grove. UMB is expecting some enrollment shifts with more part-time graduate students replacing full-time graduate students. These changes project peak enrollment over the mid-term with small decreases following. In total, UMB's long-term enrollment will be higher with +216 more students (3.2%), which represents 3% of USM's total growth.

- University of Maryland, Baltimore County enrollment has been relatively stable for four years. UMBC plans to increase enrollment at the undergraduate and graduate level by adding more new students, improving student retention, and expanding enrollment in Workforce Development programs located at USG. Undergraduate enrollment continues to be a challenge for UMBC. The university operates in a competitive market, and its enrollment has been impacted by shortened time-to-degree, and its limited program mix. However, UMBC's enrollment management plans include a well-defined strategy to be more competitive for new students. UMBC also expects increases in graduate students with increases in funding for graduate assistants and increased demand for graduate-level teacher education. In total, UMBC's enrollment projections call for 1,926 more students (+14.2%), which represents 25% of USM's total long-term growth, the largest of any USM institution.

Mixed Enrollment Outlook with Mixed Long-term Outcomes: +1,026 Net

- University of Baltimore continues to face enrollment challenges and uncertainty. With a pattern of enrollment decline similar to that Coppin and UMES have experienced, UB projects continued enrollment decreases in the short-term. Beginning in 2023-2025, however, UB projects a period of enrollment stability followed by an enrollment increase driven by increased numbers of new students enrolling and improved retention. UB also plans to grow enrollment at USG. In the long-term, UB's enrollment is expected to be recovering, with the long-term decrease expected to be only -311 students (-7%) below UB's fall 2019 enrollment levels.

- University of Maryland Global Campus is expecting increased competition and enrollment losses of over 1,000 students in the short-term, which it has attributed to changes within existing military agreements and veteran cohorts. UMGC expects enrollment to stabilize by 2023 with the establishment of new enrollment pipelines. This will be followed by slow enrollment increases. Over the long-term, UMGC projects an increase of +1,730 students (+3%) over Fall 2019 enrollment levels.

- University of Maryland, College Park is working to remain at approximately the same size. UMCP projected short-term growth last year, but wound up admitting fewer first-time students in fall 2019, which explained the headcount drop. With fewer new students in fall 2019 to be retained, UMCP projects short-term decreases to continue until it reaches its long-term goal of 40,350-students. During this adjustment period, UMCP will rebalance its enrollment by growing significantly at USG and doubling enrollment at the USMSM regional center, but decreasing enrollment at the main campus. To stay within its projected enrollment parameters, while also meeting its Workforce Development Initiative (WDI) commitments, UMCP expects to increase enrollment in some WDI-related programs while decreasing enrollment in other programs. In total, UMCP's long-term projections are -393 students (-1.0%) below its fall 2019 enrollment.

Summary

The aggregate annual and ten-year enrollment plans for the USM are increasingly flat with lower long-term enrollment. These plans reflect projected institutional success competing in an increasingly competitive marketplace, as well as the long-term recovery required after short-term enrollment losses. Although overall enrollment may not grow, campuses have prioritized enrollment shifts into academic programs that meet their Workforce Development Initiative commitments. Some of these Workforce Development programs will grow enrollment in the regional higher education centers while others will grow or shift enrollment on campus.

For the first time, UMGC will account for less than half of USM's projected long-term enrollment. The remaining growth will be achieved by planned moderate growth at Bowie, Salisbury, Towson, UMB, and UMBC. Coppin, Frostburg. UMES will grow after stabilizing and recovering enrollment. UB, UMGC, and UMCP project both short-term and long-term decreases, albeit under different strategies—UB and UMGC grow once enrollment stabilizes whereas UMCP will decrease as needed to achieve a stable, long-term size.

In summary, the aggregate enrollment plan for the University System of Maryland reflects the commitments of the institutions to their missions and the development needs of the State's workforce. The plans also seek to enhance the quality of higher education within Maryland and respond to an environment of increased enrollment competition.

**Table 1
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
USM Total**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	172,214	171,539	170,910	171,472	172,641	173,746	174,946	176,133	177,288	178,496	179,778	7,564	4.4%
Undergraduate Total	132,385	131,712	131,160	131,508	132,427	133,291	134,181	135,090	135,973	136,875	137,834	5,449	4.1%
Full-time	85,234	85,340	85,466	85,748	86,269	86,722	87,192	87,678	88,144	88,616	89,136	3,902	4.6%
Part-time	47,151	46,372	45,694	45,760	46,158	46,569	46,989	47,412	47,829	48,259	48,698	1,547	3.3%
Grad./First Prof. Total	39,829	39,827	39,750	39,964	40,214	40,455	40,765	41,043	41,314	41,621	41,944	2,115	5.3%
Full-time	17,336	17,382	17,414	17,442	17,452	17,496	17,551	17,578	17,633	17,686	17,735	399	2.3%
Part-time	22,493	22,445	22,336	22,522	22,762	22,959	23,214	23,465	23,681	23,935	24,209	1,716	7.6%
FTDE or FTNE Students	51,647	51,462	52,021	52,538	52,949	53,332	53,686	54,055	54,445	54,821	55,212	3,566	6.9%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	130,495	130,485	130,176	130,435	131,231	132,099	132,934	133,751	134,561	135,442	136,312	5,818	4.5%

**Table 2
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
USM Total Without UMGC**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	113,933	114,424	114,937	115,499	116,108	116,648	117,277	117,888	118,459	119,080	119,767	5,834	5.1%
Undergraduate Total	86,223	86,473	86,826	87,174	87,650	88,066	88,504	88,956	89,378	89,814	90,302	4,079	4.7%
Full-time	75,762	76,057	76,369	76,652	77,081	77,442	77,819	78,212	78,583	78,960	79,383	3,621	4.8%
Part-time	10,461	10,416	10,457	10,523	10,569	10,624	10,684	10,744	10,795	10,854	10,919	458	4.4%
Grad./First Prof. Total	27,710	27,950	28,111	28,325	28,458	28,582	28,773	28,931	29,082	29,266	29,465	1,755	6.3%
Full-time	17,246	17,294	17,328	17,356	17,364	17,408	17,462	17,488	17,543	17,594	17,642	396	2.3%
Part-time	10,464	10,657	10,784	10,969	11,094	11,174	11,311	11,444	11,539	11,672	11,823	1,359	13.0%
FTDE or FTNE Students	51,647	51,462	52,021	52,538	52,949	53,332	53,686	54,055	54,445	54,821	55,212	3,566	6.9%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	95,244	95,940	96,321	96,580	97,037	97,563	98,053	98,521	98,979	99,504	100,015	4,771	5.0%

**Table 3
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
Bowie State University**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	6,171	6,320	6,409	6,498	6,587	6,676	6,765	6,854	6,943	7,032	7,115	944	15.3%
Undergraduate Total	5,227	5,320	5,385	5,450	5,515	5,580	5,645	5,710	5,775	5,840	5,905	678	13.0%
Full-time	4,329	4,416	4,470	4,524	4,577	4,631	4,685	4,739	4,793	4,847	4,901	572	13.2%
Part-time	898	904	915	927	938	949	960	971	982	993	1,004	106	11.8%
Grad./First Prof. Total	944	1,000	1,024	1,048	1,072	1,096	1,120	1,144	1,168	1,192	1,210	266	28.2%
Full-time	476	460	471	482	493	504	515	526	537	548	557	81	16.9%
Part-time	468	540	553	566	579	592	605	618	631	644	653	185	39.6%
FTDE or FTNE Students	4,480	4,582	4,645	4,707	4,770	4,833	4,895	4,958	5,020	5,083	5,142	662	14.8%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	5,068	5,207	5,278	5,349	5,420	5,492	5,563	5,634	5,705	5,776	5,843	775	15.3%

**Table 4
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
COPPIN STATE UNIVERSITY**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	2,724	2,727	2,751	2,884	2,924	2,978	3,012	3,046	3,081	3,123	3,161	437	16.0%
Undergraduate Total	2,383	2,385	2,406	2,449	2,477	2,502	2,521	2,540	2,554	2,582	2,602	219	9.2%
Full-time	1,804	1,806	1,816	1,826	1,852	1,867	1,872	1,883	1,892	1,910	1,919	115	6.4%
Part-time	579	580	590	623	625	635	649	657	662	672	683	104	18.0%
Grad./First Prof. Total	341	341	345	435	447	476	491	506	527	541	559	218	63.9%
Full-time	113	113	116	156	165	175	188	199	211	221	230	117	103.5%
Part-time	228	228	229	279	282	301	303	307	316	320	329	101	44.3%
FTDE or FTNE Students	1,689	1,702	1,730	1,801	1,821	1,832	1,840	1,851	1,860	1,872	1,880	191	11.3%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	2,263	2,265	2,276	2,294	2,313	2,390	2,452	2,486	2,506	2,568	2,626	363	16.0%

**Table 5
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
Frostburg State University**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	5,178	5,179	5,201	5,223	5,254	5,299	5,337	5,375	5,413	5,452	5,473	295	5.7%
Undergraduate Total	4,429	4,429	4,432	4,453	4,484	4,527	4,564	4,602	4,640	4,678	4,698	269	6.1%
Full-time	3,522	3,522	3,523	3,543	3,573	3,616	3,652	3,689	3,725	3,763	3,780	258	7.3%
Part-time	907	908	909	910	911	912	912	913	914	915	918	11	1.2%
Grad./First Prof. Total	749	750	769	770	771	771	772	773	774	774	775	26	3.5%
Full-time	236	236	255	255	256	256	256	256	257	257	257	21	8.9%
Part-time	513	514	514	515	515	516	516	517	517	518	518	5	1.0%
FTDE or FTNE Students	3,483	3,486	3,490	3,493	3,497	3,500	3,504	3,507	3,511	3,514	3,518	35	1.0%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	4,050	4,054	4,058	4,062	4,066	4,070	4,074	4,078	4,083	4,087	4,091	41	1.0%

Table 6
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
Salisbury University

Fall Student Data	Fall											Change From	
	Actual	Projections										Fall 2019 to Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	8,617	8,713	8,825	8,910	8,996	9,074	9,173	9,276	9,406	9,535	9,665	1,048	12%
Undergraduate Total	7,686	7,764	7,853	7,912	7,979	8,041	8,120	8,210	8,320	8,430	8,540	854	11%
Full-time	7,090	7,173	7,256	7,310	7,373	7,429	7,502	7,585	7,687	7,789	7,890	800	11%
Part-time	596	591	597	602	606	612	618	625	633	641	650	54	9%
Grad./First Prof. Total	931	950	972	999	1,016	1,033	1,054	1,066	1,086	1,106	1,126	195	17%
Full-time	530	535	548	563	572	582	594	601	612	623	634	104	20%
Part-time	401	415	424	436	444	451	460	466	474	483	492	91	23%
FTDE or FTNE Students	6,906	6,910	6,999	7,067	7,134	7,196	7,275	7,357	7,460	7,562	7,666	759	11%

Fiscal Year Full-Time Equivalent Data	FISCAL YEAR											Change From	
	Projections											FY20 to FY30	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	7,708	7,794	7,894	7,970	8,047	8,116	8,205	8,297	8,413	8,529	8,646	938	12%

**Table 7
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
Towson University**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	22,709	22,823	22,937	23,051	23,167	23,282	23,399	23,516	23,633	23,752	23,870	1,161	5.1%
Undergraduate Total	19,619	19,717	19,816	19,915	20,014	20,114	20,215	20,316	20,418	20,520	20,622	1,003	5.1%
Full-time	17,209	17,295	17,382	17,468	17,556	17,644	17,732	17,820	17,910	17,999	18,089	880	5.1%
Part-time	2,410	2,422	2,434	2,446	2,459	2,471	2,483	2,496	2,508	2,521	2,533	123	5.1%
Grad./First Prof. Total	3,090	3,105	3,121	3,137	3,152	3,168	3,184	3,200	3,216	3,232	3,248	158	5.1%
Full-time	1,017	1,022	1,027	1,032	1,037	1,043	1,048	1,053	1,058	1,064	1,069	52	5.1%
Part-time	2,073	2,083	2,094	2,104	2,115	2,125	2,136	2,147	2,157	2,168	2,179	106	5.1%
FTDE or FTNE Students	14,664	14,737	14,811	14,885	14,959	15,034	15,109	15,185	15,261	15,337	15,414	750	5.1%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	18,800	18,894	18,988	19,083	19,179	19,275	19,371	19,468	19,565	19,663	19,761	961	5.1%

**Table 8
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
University of Baltimore**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	4,476	4,109	4,082	4,055	4,029	4,003	4,035	4,070	4,105	4,130	4,165	(311)	-7%
Undergraduate Total	2,097	1,910	1,861	1,832	1,815	1,808	1,810	1,815	1,820	1,825	1,830	(267)	-13%
Full-time	1,192	1,086	1,058	1,042	1,032	1,028	1,030	1,030	1,035	1,035	1,040	(152)	-13%
Part-time	905	824	803	790	783	780	780	785	785	790	790	(115)	-13%
Grad./First Prof. Total	2,379	2,199	2,221	2,223	2,214	2,195	2,225	2,255	2,285	2,305	2,335	(44)	-2%
Full-time	997	972	980	988	996	1,004	1,015	1,025	1,035	1,045	1,050	53	5%
Part-time	1,382	1,227	1,241	1,235	1,218	1,191	1,210	1,230	1,250	1,260	1,285	(97)	-7%
FTDE or FTNE Students	1,149	1,067	1,059	1,053	1,049	1,047	1,054	1,061	1,070	1,076	1,083	(66)	(0)

FISCAL YEAR Full-Time Equivalent (FTE)

Total University FTE Students	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	2,742	2,719	2,705	2,695	2,689	2,708	2,726	2,748	2,763	2,782	2,782	40	1.5%

**Table 9
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
University of Maryland, Baltimore**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	6,827	6,986	7,033	7,091	7,118	7,101	7,101	7,096	7,045	7,041	7,043	216	3.2%
Undergraduate Total	878	869	903	949	987	999	1,001	1,001	1,003	1,003	1,005	127	14.5%
Full-time	695	706	739	785	823	835	836	836	838	838	839	144	20.7%
Part-time	183	163	164	164	164	164	165	165	165	165	166	-17	-9.3%
Grad./First Prof. Total	5,949	6,117	6,130	6,142	6,131	6,102	6,100	6,095	6,042	6,038	6,038	89	1.5%
Full-time	4,398	4,395	4,380	4,338	4,293	4,283	4,276	4,267	4,262	4,257	4,257	-141	-3.2%
Part-time	1,551	1,722	1,750	1,804	1,838	1,819	1,824	1,828	1,780	1,781	1,781	230	14.8%
FTDE or FTNE Students	6,814	6,760	6,870	6,909	6,925	6,923	6,909	6,904	6,896	6,870	6,864	50	0.7%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	6,859	6,955	6,987	7,003	7,001	6,987	6,982	6,974	6,948	6,942	6,944	85	1.2%

Table 10
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
University of Maryland, Baltimore County

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 to Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	13,602	14,003	14,227	14,455	14,642	14,833	14,967	15,104	15,243	15,384	15,528	1,926	14.2%
Undergraduate Total	11,060	11,244	11,413	11,584	11,700	11,817	11,876	11,936	11,995	12,055	12,116	1,056	9.5%
Full-time	9,436	9,594	9,738	9,884	9,983	10,083	10,133	10,184	10,235	10,286	10,337	901	9.6%
Part-time	1,624	1,650	1,675	1,700	1,717	1,734	1,743	1,752	1,761	1,769	1,778	154	9.5%
Grad./First Prof. Total	2,542	2,759	2,814	2,870	2,942	3,016	3,091	3,168	3,248	3,329	3,412	870	34.2%
Full-time	1,257	1,353	1,356	1,359	1,362	1,364	1,366	1,368	1,370	1,371	1,372	115	9.1%
Part-time	1,285	1,406	1,458	1,512	1,580	1,652	1,725	1,801	1,878	1,958	2,040	755	58.8%
FTDE or FTNE Students	9,729	9,963	10,119	10,278	10,402	10,528	10,611	10,695	10,780	10,866	10,954	1,225	12.6%
FISCAL YEAR Full-Time Equivalent (FTE)													
Total University FTE Students	Actual	Fiscal Year FTE Projections										Change From FY 2020 to FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
	11,068	11,411	11,590	11,772	11,915	12,059	12,154	12,251	12,349	12,448	12,548	1,443	13.0%

**Table 11
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
University of Maryland College Park**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	40,743	40,675	40,550	40,375	40,375	40,325	40,350	40,350	40,325	40,300	40,350	-393	-1.0%
Undergraduate Total	30,511	30,500	30,400	30,250	30,250	30,200	30,225	30,250	30,225	30,200	30,250	-261	-0.9%
Full-time	28,390	28,365	28,272	28,133	28,133	28,086	28,109	28,133	28,109	28,086	28,133	-258	-0.9%
Part-time	2,121	2,135	2,128	2,118	2,118	2,114	2,116	2,118	2,116	2,114	2,118	-4	-0.2%
Grad./First Prof. Total	10,232	10,175	10,150	10,125	10,125	10,125	10,125	10,100	10,100	10,100	10,100	-132	-1.3%
Full-time	7,752	7,742	7,723	7,704	7,704	7,704	7,704	7,685	7,685	7,685	7,685	-67	-0.9%
Part-time	2,355	2,313	2,307	2,301	2,301	2,301	2,301	2,295	2,295	2,295	2,295	-60	-2.5%
Part-time/Full-time Other	125	120	120	120	120	120	120	120	120	120	120	-5	-4.0%
FTDE or FTNE Students	-	-	-	-	-	-	-	-	-	-	-	0	

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	34,000	33,900	33,750	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	-500	-1.5%

Table 12
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
 University of Maryland Eastern Shore

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	2,888	2,888	2,922	2,957	3,016	3,077	3,138	3,201	3,265	3,330	3,397	509	17.6%
Undergraduate Total	2,334	2,334	2,357	2,381	2,429	2,477	2,527	2,577	2,629	2,681	2,735	401	17.2%
Full-time	2,095	2,095	2,116	2,137	2,180	2,223	2,268	2,313	2,360	2,407	2,455	360	17.2%
Part-time	238	239	241	244	249	254	259	264	269	275	280	42	17.7%
Grad./First Prof. Total	554	554	565	576	588	600	612	624	636	649	662	108	19.5%
Full-time	345	345	352	359	366	373	381	389	396	404	412	67	19.5%
Part-time	208	209	213	217	222	226	231	235	240	245	250	42	20.1%
FTDE or FTNE Students	2,733	2,253	2,298	2,344	2,391	2,439	2,487	2,537	2,588	2,640	2,693	-40	-1.5%

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	2,686	2,740	2,795	2,850	2,907	2,966	3,025	3,085	3,147	3,210	3,274	588	21.9%

**Table 13
UNIVERSITY SYSTEM OF MARYLAND
ENROLLMENT PROJECTIONS
University of Maryland Global Campus**

FALL SEMESTER													
Fall Student Data	Actual	Fall Headcount Projections										Change From Fall 2019 - Fall 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Number	Percent
Headcount Total	58,281	57,115	55,973	55,973	56,533	57,098	57,669	58,246	58,828	59,417	60,011	1,730	3.0%
Undergraduate Total	46,162	45,239	44,334	44,334	44,777	45,225	45,677	46,134	46,595	47,061	47,532	1,370	3.0%
Full-time	9,472	9,283	9,097	9,097	9,188	9,280	9,373	9,466	9,561	9,657	9,753	281	3.0%
Part-time	36,690	35,956	35,237	35,237	35,589	35,945	36,305	36,668	37,035	37,405	37,779	1,089	3.0%
Grad./First Prof. Total	12,119	11,877	11,639	11,639	11,755	11,873	11,992	12,112	12,233	12,355	12,479	360	3.0%
Full-time	90	88	86	86	87	88	89	90	91	92	93	3	3.0%
Part-time	12,029	11,788	11,553	11,553	11,668	11,785	11,903	12,022	12,142	12,263	12,386	357	3.0%
FTDE or FTNE Students	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA

FISCAL YEAR Full-Time Equivalent (FTE)

	Est.	Fiscal Year FTE Projections										Change From FY 2020 - FY 2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Number	Percent
Total University FTE Students	35,251	34,546	33,855	33,855	34,194	34,536	34,881	35,230	35,582	35,938	36,297	1,046	3.0%

USM Enrollment Projections and Fall 2020 Scenarios

Board of Regents Finance Committee
March 26, 2020



Outline For Enrollment Projection Discussion

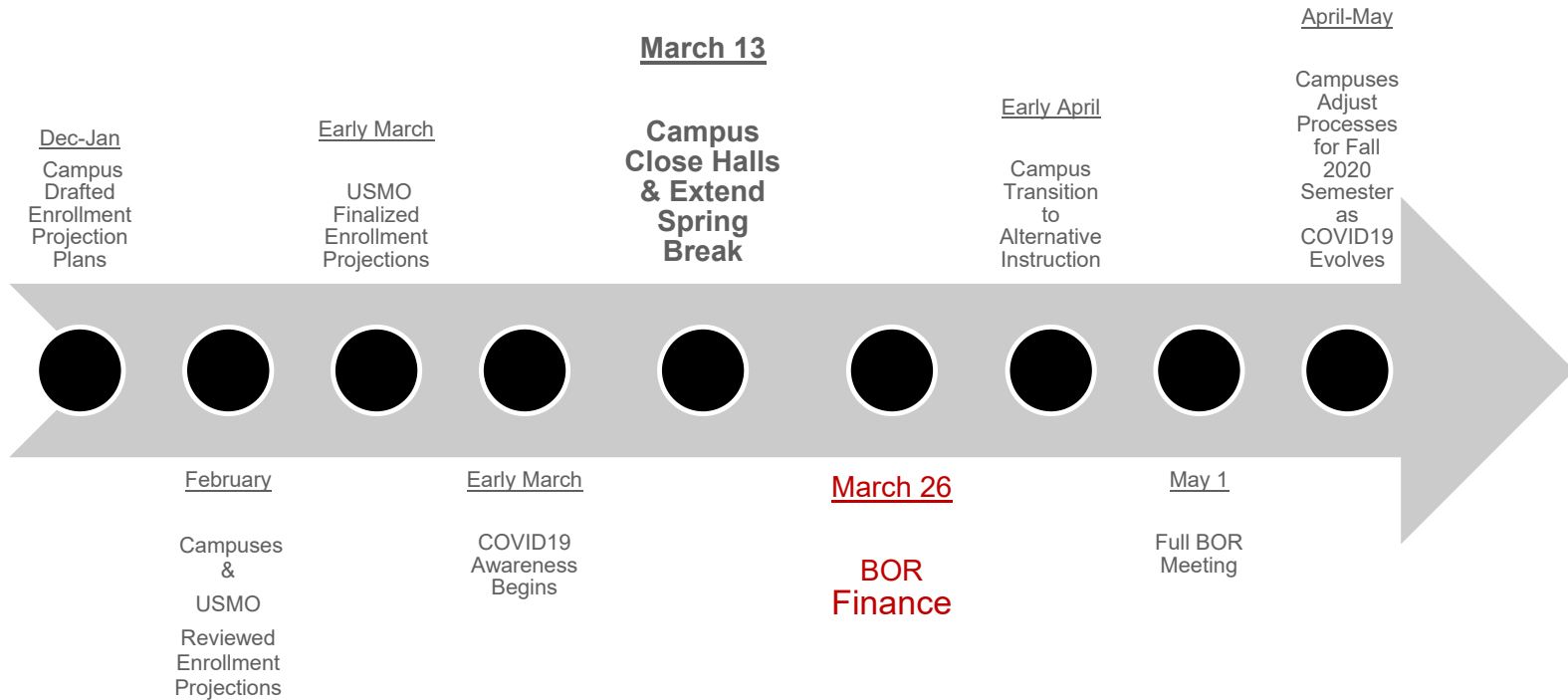
- Timeline of the Enrollment Projection Process and COVID19

Information For Discussion

- Review: Pre-Crisis Regional and National Enrollment Trends
- Positives and Negatives
- Overview of Enrollment During Crises – Historical Lessons Learned
- Scenario 1: Revisit Submitted Projections (Pre-COVID19 Optimistic)
- Scenario 2: Mid-level Enrollment Loss Projections (Limited Impact)
- Scenario 3: Significant Enrollment Loss Projections (Pessimistic)
- Key Unknown Information



Spring 2020 Timeline



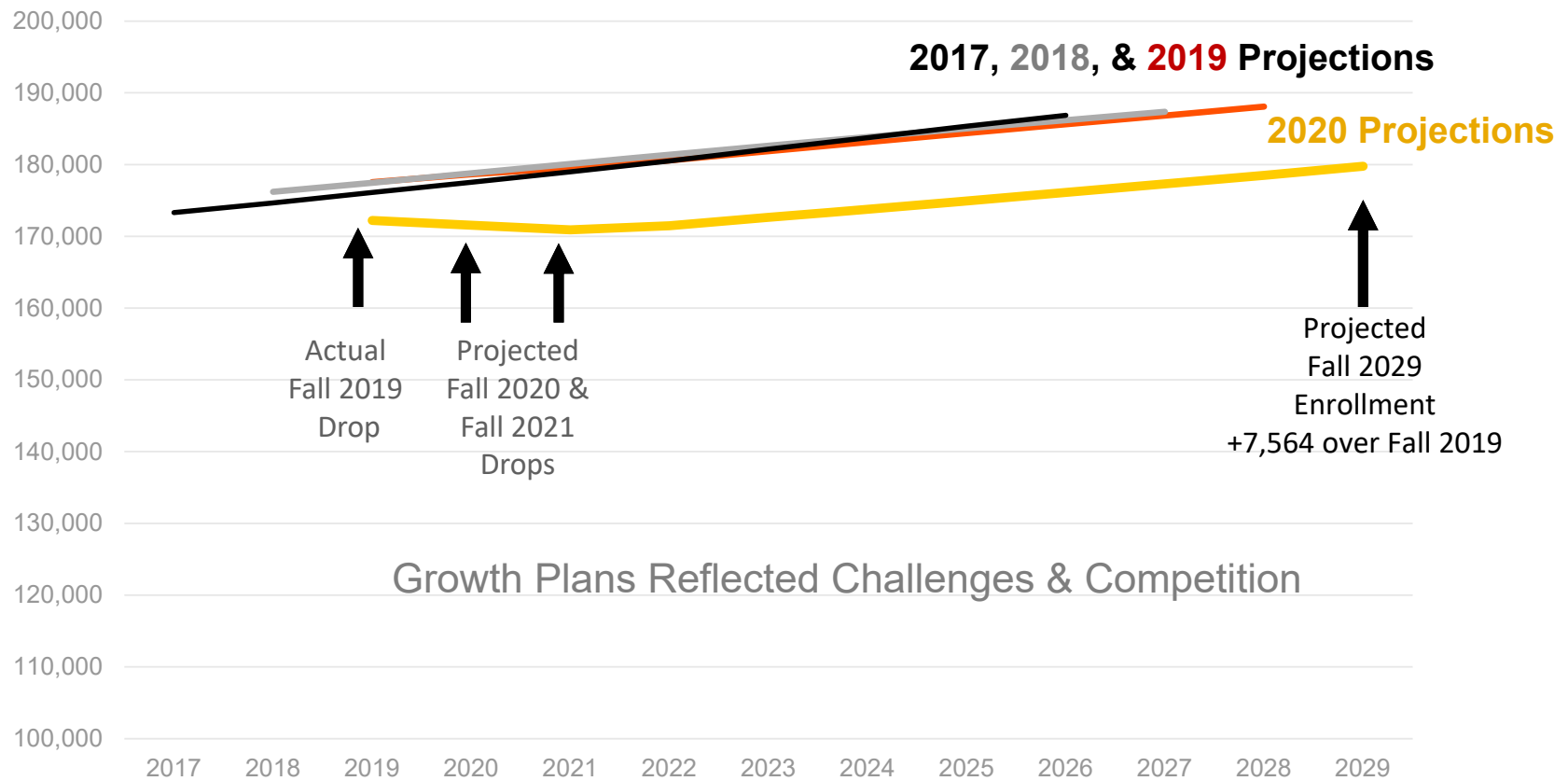


Review of Regional and National High School Graduate Trends Pre-COVID19

- Maryland high school graduations are increasing until 2025 & decreasing after 2025
- Maryland will produce at least 62,000 high school graduates per year through 2030 with USM enrolling about 12,000-13,000 in fall/spring
 - African-American will remain approximately steady
 - USM traditional institutions have increased enrollment of African-American students
 - Hispanic graduates will increase while White graduates decrease
 - USM traditional institution have doubled enrollment of Hispanic students
- Combined, the South and Northeast will decrease by -150,000 high school graduates between 2025-2030
- Because **Maryland is a net-exporter** with a very diverse high school graduate population, USM can expect increased competition



Scenario 1 (Submitted Pre-COVID19): USM Projections were Increasingly Conservative



Framing Alternative Enrollment Scenarios—Lessons Learned from Previous Crises





Fall 2020: Campuses Will Experience COVID19 Differently

Positives

- Knowledge economy not industrial
- More capable with technology
- No physical campus damage
- As “net-exporter,” thousands of students may return to Maryland
- Economic downturns typically increase demand for education & retooling
- Temporary decrease in costs to students with greater stimulus-fueled financial aid support
- Many campuses had residential challenges yet enrolled local students

Negatives

- Global impact
- Loss of academic support systems for students
- Part-time and lower-income students are most vulnerable
- Heightened risk of a major economic downturn
- Inequities among campuses in technological capacity
- Increased risk of stopping/dropping out
- Increased risk of longer time-to-degree, delay to work, and unemployment



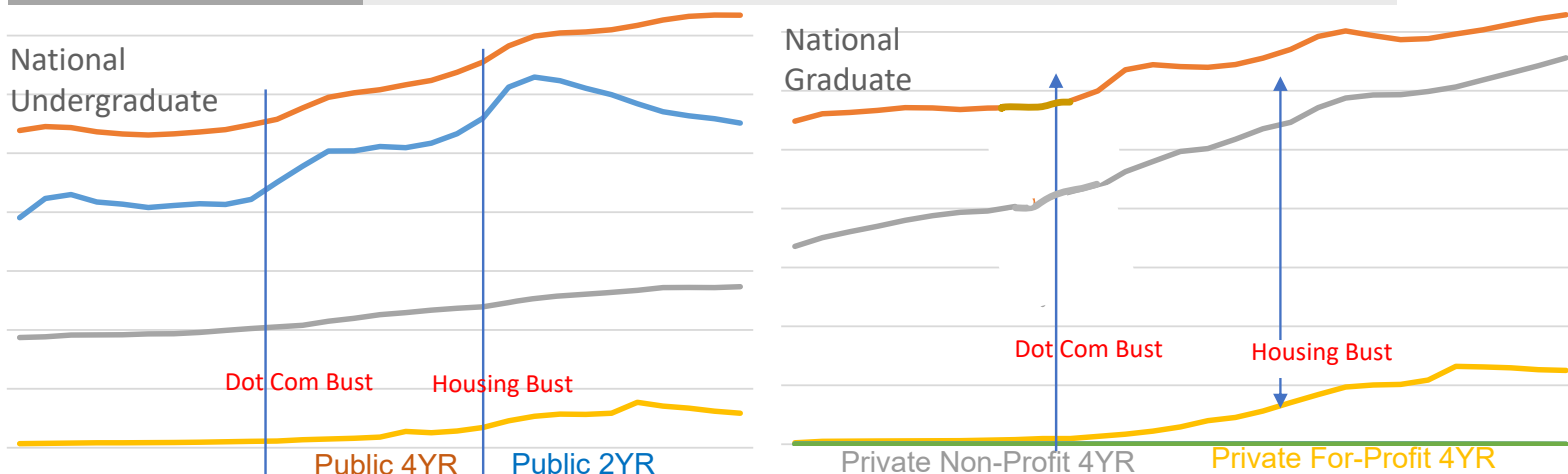
Enrollment Following Weather Crises

	Impact	Enrollment	Examples
Short term (2 weeks to 1 month)	Recruitment, housing, daily life, employment	Minus 1-3%	Non-catastrophic weather events and temporary closures
Entire Spring Semester	Significantly altered living arrangements Academic Support Issues	Minus 5-15%	Local impacts of Hurricane Sandy and Maria
Through Summer	No summer bridge activity No Summer tours Delayed registration	Minus 10-20%	Louisiana after Hurricane Katrina and Rita Institutions with minimal physical damage.
Through Fall	Substantial damage to campus & infrastructure No Academic Support	Minus 20-50%	New Orleans in the fall after Katrina/Rita.



Enrollment Following Economic Crisis

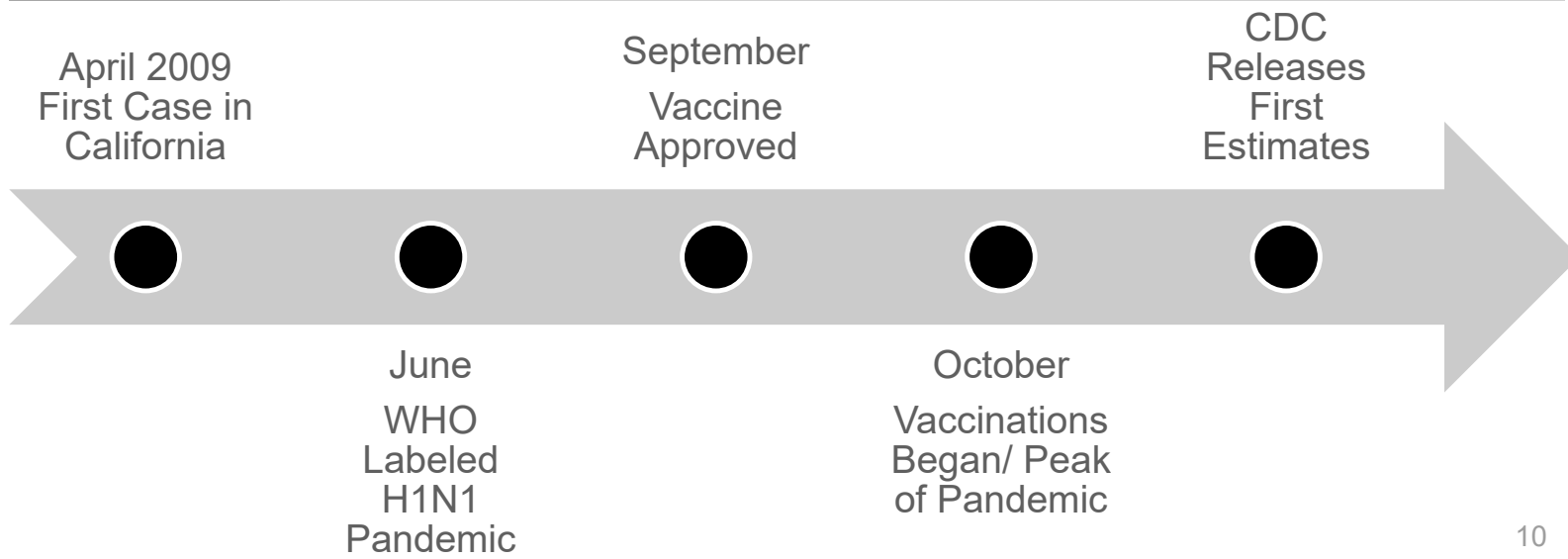
	Impact	Enrollment
Dot Com Bust 2000	<ul style="list-style-type: none"> • Temporary graduate drop at Research Universities • Students return to re-tool 	Public 4YR and 2YR Increased for many years
Housing Bust Began in 2007	<ul style="list-style-type: none"> • Students return to re-tool • For-profits institutions grew 	Public 4YR and 2YR Increased many years





Enrollment Following Health Crisis

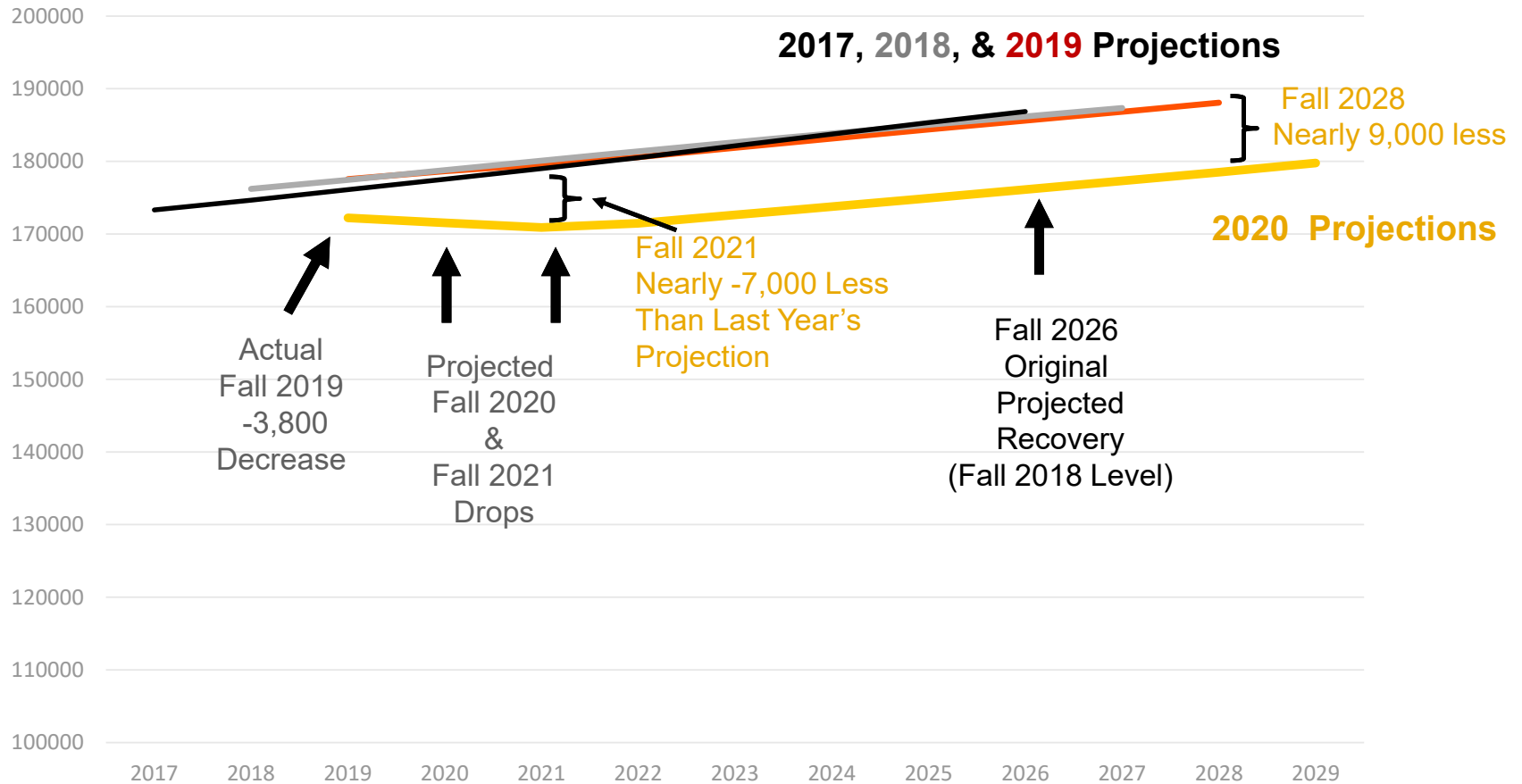
	Impact	Enrollment	Location
H1N1 Pandemic 2009-2010	<ul style="list-style-type: none"> Recruitment/ Yield Decrease Fall 2009 Enrollment in CA Part-time Students; Minimal in VA or PA 	Minus 0-2% No Closures	California Virginia Pennsylvania November





Revisit Scenario 1: Pre-COVID19 Submitted Projects

Question: Were Campus Projections Already Adjusted?





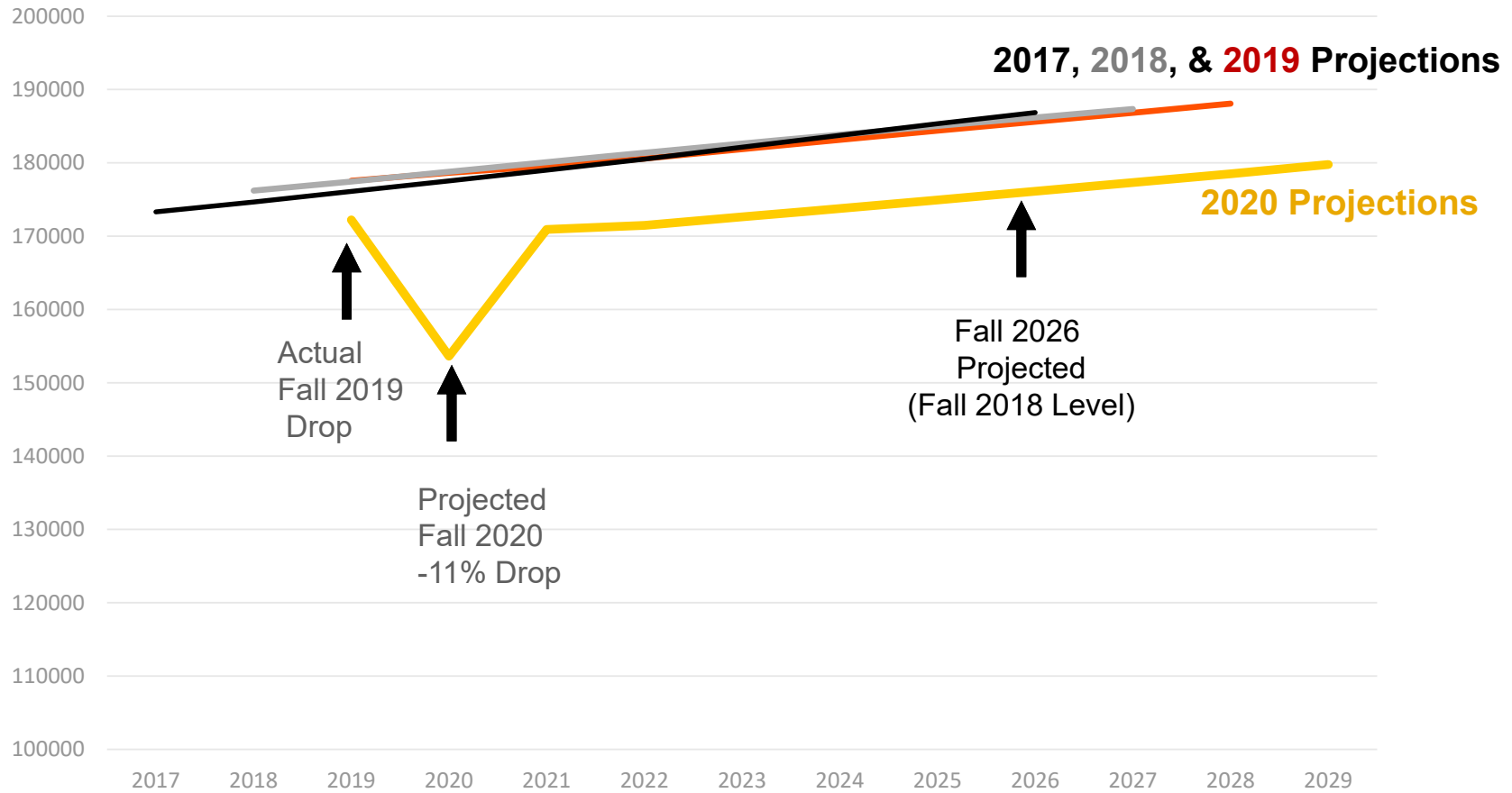
Scenario 2: Limited Impact With Recovery

For One Year—temporary displacement and delayed shift to new economic realities; recover back to Scenario 1

- Part-time undergraduate at traditional Campuses decreases 25%
-2,600
- No Drop at UMGC – Benefits from student displacement
+1,200
- 10% drop (mainly out-of-state & international; some Pell) in full-time undergraduate enrollment including delayed entry of first-time students
-8,500
- 20% drop in graduate enrollment at traditional campuses (international student travel)
-8,000



Scenario 2: Limited Impact With Recovery



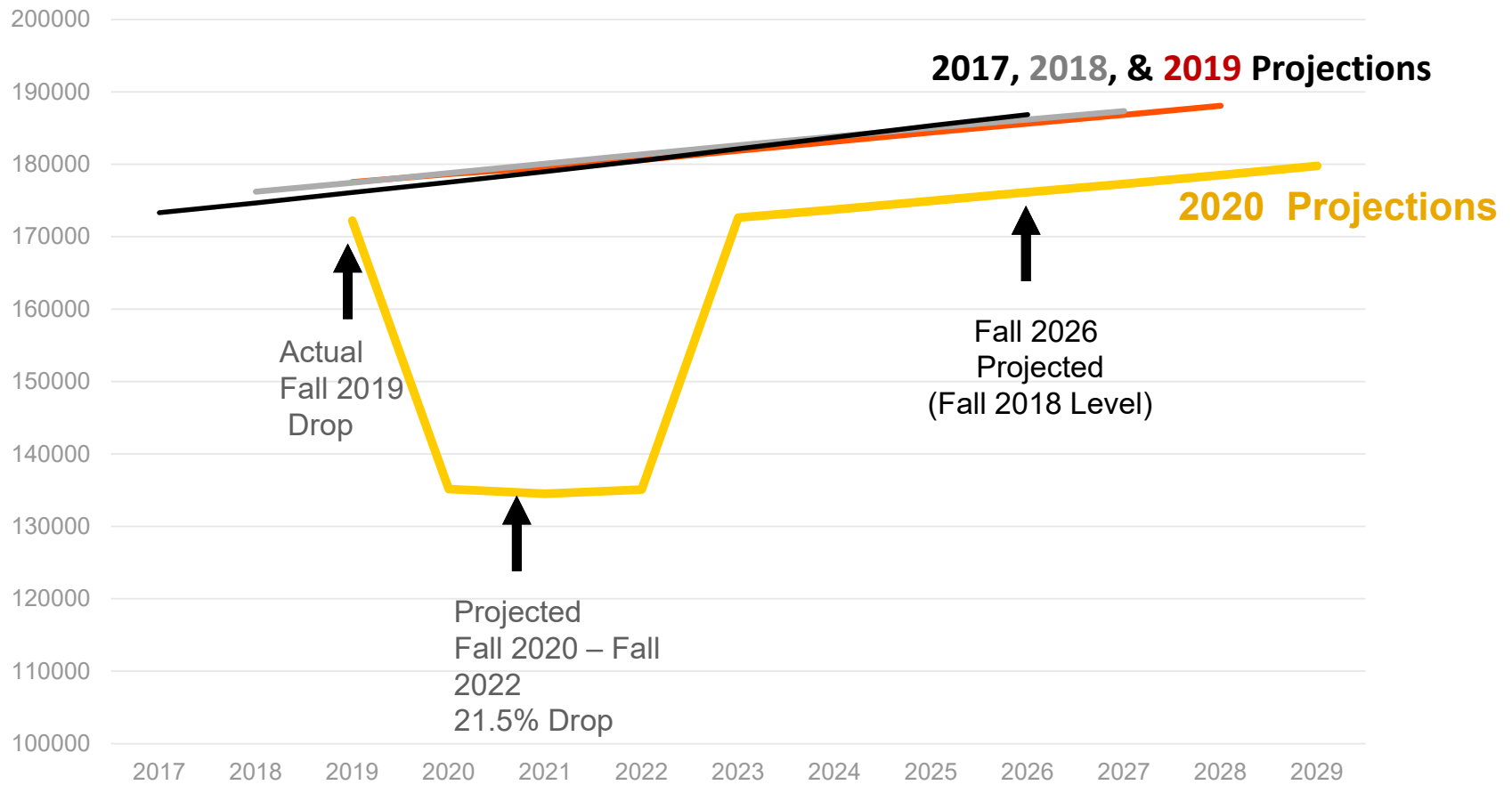
Scenario 3: Significant Impact and Delayed Recovery

For Three Years – Sustained “Dot Com” Bust & like Katrina where some campuses take much longer to recover back to Scenario 1

- Part-time undergraduate at Traditional Campuses decreases 50%
-5,200 per year
- UMGC undergraduate as submitted in Scenario 1
- 20% drop (mainly out-of-state & international; some Pell) in full-time undergraduate enrollment including delayed entry of first-time students
-15,250 per year
- 40% drop in graduate enrollment including UMGC
-15,950 per year



Scenario 3: Significant Impact and Delayed Recovery



Fall 2020 Key Pieces of Unknown Information

Key Decisions Influencing Fall 2020:

- Admitted student deposits -- **May or June**
 - Delayed deadline
 - Students staying local or delaying first-time entry
- Fall 2020 registration by returning students and new transfers -- **August**
 - Academic eligibility after spring 2020
 - Stopping out due to instructional format or course availability
- Announcement of vaccine and availability -- **???**
- When other states decide when re-open institutions/public spaces -- **???**
 - Net exporter to South and if open, more students may prefer to pursue face-to-face
 - Likewise, if Maryland is open and Northeast or other states are closed
- Family financial position in new economy
- International travel announcement -- **???**
- Availability of research grants sponsoring research assistants

Questions and Discussion



Chad Muntz
Assistant Vice Chancellor
Institutional Research, Data, & Analytics
Office of Administration and Finance
cmuntz@usmd.edu



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Convening Closed Session

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 26, 2020

SUMMARY: The Open Meetings Act permits public bodies to close their meetings to the public in special circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Board of Regents Finance Committee will now vote to reconvene in closed session. As required by law, the vote on the closing of the session will be recorded. A written statement of the reason(s) for closing the meeting, including a citation of the authority under §3-305 and a listing of the topics to be discussed, is available for public review.

It is possible that an issue could arise during a closed session that the Committee determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Committee would reconvene in open session to discuss the open session topic or to vote to reconvene in closed session to discuss the additional closed session topic.

ALTERNATIVE(S): No alternative is suggested.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR’S RECOMMENDATION: The Chancellor recommends that the Board of Regents Committee on Finance vote to reconvene in closed session.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



UNIVERSITY SYSTEM
of MARYLAND

STATEMENT REGARDING CLOSING A MEETING
OF THE COMMITTEE ON FINANCE
OF THE USM BOARD OF REGENTS

Date: March 26, 2020

Time: 10:30 a.m.

Location: Conference Call

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
- (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - (ii) Any other personnel matter that affects one or more specific individuals.
- (2) To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) To consider the investment of public funds.
- (6) To consider the marketing of public securities.
- (7) To consult with counsel to obtain legal advice on a legal matter.
- (8) To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.
- (11) To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (15) To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:
- (i) security assessments or deployments relating to information resources technology;
 - (ii) network security information, including information that is:
 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
 2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
 3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
 - (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

The awarding of a new contract for parking management services, and to receive an update on the performance of the endowment fund investment.

REASON FOR CLOSING:

To maintain confidentiality of discussions of bid proposals prior to BOR approval and the awarding of a new contract (§3-305(b)(14)); and to maintain confidentiality of discussions of the investment of public funds (§3-305(b)(5)).