



USM Board of Regents
Committee on Governance and Compensation
January 24, 2024
Zoom

AGENDA FOR OPEN SESSION

8:30 a.m.

Call to Order

Regent Rauch

1. [Approval of Meeting Minutes from November 30, 2023 Public and Closed Sessions \(action\)](#)
2. [Certification of Committee Charters \(action\)](#)
3. [Convene to Closed Session \(action\)](#)



USM Board of Regents
Committee on Governance and Compensation
Minutes from Public Session
November 30, 2023
Zoom

Minutes of the Public Session

Regent Rauch called the meeting of the Governance and Compensation Committee of the University System of Maryland Board of Regents to order in public session at 8:30 a.m. on Thursday, November 30, 2023 via Zoom.

Those in attendance included Regents Rauch, Gooden, Hur, Leggett, McMillen, Smarick, and Wood; Chancellor Perman; Vice Chancellors Herbst, McDonough, and Wrynn; AAGs Langrill and Bainbridge; and Ms. Wilkerson.

- 1. Approval of Meeting Minutes from October 17, 2023 Public and Closed Sessions.** The Regents voted to approve the minutes from the October 17, 2023 Committee on Governance and Compensation meeting. (Moved by Regent McMillen, seconded by Chair Gooden; unanimously approved).
- 2. Revision to USM Board of Regents Bylaws.** The Regents voted to recommend approval revisions to the Board of Regents Bylaws. The proposed revisions clarify how a quorum of the Board is calculated. It specifies that a quorum is a majority of the voting members of the Board. (Moved by Chair Gooden, seconded by Regent McMillen; unanimously approved).
- 3. Convene to Closed Session.** Regent Rauch read the closing statement on matters exempted from the Open Meetings Act, under the General Provisions Article, §3-305(b). (Moved by Regent Hur, seconded by Regent Wood; unanimously approved).

The public session meeting adjourned at 8:40 a.m.



USM Board of Regents
Committee on Governance and Compensation
Minutes from Closed Session
November 30, 2023
Zoom

Minutes of the Closed Session

Regent Rauch called the meeting of the Governance and Compensation Committee of the University System of Maryland Board of Regents to order in closed session at 8:40 a.m. on Thursday, November 30, 2023 via Zoom.

Those in attendance included Regents Rauch, Gooden, Hur, Leggett, McMillen, Smarick, and Wood; Chancellor Perman; Vice Chancellors Herbst, McDonough, and Wrynn; AAGs Langrill and Bainbridge; and Ms. Wilkerson, Ms. Skolnik, Ms. Roxas, and Ms. Beckett. Mr. Malone, VP Danik and Chief Carter from CSU, and VP Detloff, Ms. Adams, and Ms. Tallon from UMBC were present for a portion of the meeting.

- 1. Coppin State University Ratification of MOU with the Fraternal Order of Police covering Sworn Police Officers.** The Regents voted to recommend ratification of the Coppin State University MOU with the Fraternal Order of Police covering Sworn Police Officers. (§3-305(b)(9)).
- 2. University of Maryland, Baltimore County Ratification of MOU with the Fraternal Order of Police covering Sworn Police Officers.** The Regents voted to recommend ratification of the University of Maryland, Baltimore County MOU with the Fraternal Order of Police covering Sworn Police Officers. (§3-305(b)(9)).
- 3. Collective Bargaining Update.** The Regents were provided with the status of collective bargaining negotiations at each USM institution. (§3-305(b)(9)).
- 4. University System of Maryland (USM) Mid-Negotiation Briefing re Consolidated MOU with the American Federation of State, County and Municipal Employees (AFSCME).** The Regents were provided with an update on the negotiations between the USM and AFSCME. (§3-305(b)(9)).
- 5. Review of Certain Contracts and Employment Agreements.** The Regents reviewed personnel contracts from TU and UMCP subject to review under Policy VII-10.0 (§3-305(b)(1)).
- 6. Board Elections Procedures.** The Regents discussed procedures for board elections. (§3-103(a)(1)(i)).

The meeting adjourned at 9:53 a.m.

TOPIC: Review of Committee Charges

COMMITTEE: Committee on Governance and Compensation

DATE OF MEETING: January 24, 2024

SUMMARY: Each year, the Committee on Governance and Compensation reviews and certifies the charges of each of the standing committees of the Board of Regents. Included today are the charters of the Committees on Advancement, Audit, Education Policy and Student Life and Safety, Finance, and Governance and Compensation. The charges for the Committees on Economic Development and Technology Commercialization and Intercollegiate Athletics and Student-Athlete Health and Welfare will be presented at a later meeting.

ALTERNATIVE(S): The committee could choose not to review the committee charges.

FISCAL IMPACT: No fiscal impact.

CHANCELLOR'S RECOMMENDATION: The Chancellor recommends that the Committee certify the charges of each standing committee.

COMMITTEE ACTION:

DATE: January 24, 2024

BOARD ACTION:

DATE:

SUBMITTED BY: Denise Wilkerson; dwilkerson@usmd.edu; 410-576-5734



Committee on Advancement Charge

The Committee on Advancement shall consider and report to the Board on all matters relating to the University System of Maryland's private fund-raising efforts, including policies, strategies, best practices and national standards affecting capital campaigns and ongoing fund-raising programs of individual institutions and the University System of Maryland.

This Committee shall give support to individual institutions and affiliated foundations in all development/advancement efforts, recognizing the vast majority of donors' interests lie with individual institutions, and in many cases, specific programs. This Committee shall also encourage individual institutions and affiliated foundations in seeking collaborative and joint fundraising between and among institutions and programs.

This Committee shall support efforts to bring more resources to advancement programs in order to build a thriving culture of philanthropy and engagement, which in turn improves scholarship, student access, and innovation across the USM.

This Committee shall review institutional and system-wide efforts and make recommendations to the Board regarding the enhancement of system interests through entrepreneurial and private fund-raising activities, including gifts, donations, bequests, endowment, grants, venture, cooperative agreements, and other public-private opportunities.

The Committee will encourage all system institutions to establish positive and noteworthy stewardship standards, reflected in the regular communication with donors about the intent, use, and outcomes of the application of the funds received. This Committee will review requests related to the naming of academic programs and facilities.

This Committee acknowledges the critical role of affiliated foundations in these efforts, and in particular good stewardship and management of funds. This Committee shall consider and report to the Board on all matters relating to System-affiliated foundations, alumni associations and similar 501 (c) (3) organizations affiliated with the USM and monitor activities to assure adequate institutional controls are in place.

Per Regents policy, this committee shall review selected Regent's Advancement policies annually and each policy shall be reviewed at least once every four years.

Rationale

The University System of Maryland maintains a central Internal Audit Office that independently appraises the System's activities to assist the Board of Regents and its Audit Committee in fulfilling the Board's fiduciary responsibilities. Internal Audit primarily functions to help managers discharge their responsibilities effectively, efficiently, and economically.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improved an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

To that end, the Internal Audit staff reviews financial and operating activities, analyzes internal control structures and procedures, and recommends corrective measures to both administrators and operating managers. Internal Audit functions as a member of the System's management team, but responsibility for correcting deficiencies rests with the responsible administrators.

Policy

The function, which is part of the University of Maryland System, reports to and is responsible to the Board of Regents Audit Committee. The Audit Committee has authority for hiring and terminating the Director of Internal Audit; determining appropriate compensation; and performing annual performance reviews. For administrative purposes, the Internal Audit Office reports to the Chancellor. Administratively, the Chancellor will work with the Director of Internal Audit to ensure that the Internal Audit Office maintains a professional level of independence, and that the internal audit function has adequate resources to accomplish its mission.

In carrying out its mission, the Internal Audit Office will have full, free, and unrestricted access to all System activities, including records, reports, property, and personnel. In addition, the Director of Internal Audit will have direct access to the Audit Committee, including meeting privately at least annually.

The Office of Internal Audit is authorized, but not limited, to perform the following engagements:

- Financial Audits
- Operational Audits
- Compliance Audits
- Investigative Audits
- Follow-up Audits
- Information Systems Audits
- Cyber Security Audits
- Internal Control Reviews
- Consulting Services

Internal Audit will be responsive and responsible to administrators and managers at all levels in the System. Similarly, each President and unit Director will ensure the cooperation of their administrators and managers throughout the internal audit process.

Each President is responsible for submitting a written response to each audit report.

Consulting services are advisory in nature and are generally performed at the specific request of management. The nature and scope of the consulting engagement are subject to agreement with management. Consulting services generally involve two parties: (1) the internal auditor and (2) the person or group seeking and receiving the advice – management. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility

Core Principles for the Professional Practice of Internal Auditing: The Core Principles, taken as a whole, articulate internal audit effectiveness.

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organization.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organizational improvement.

Code of Ethics

Principles - Internal auditors are expected to apply and uphold the following principles:

1. **Integrity** - The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
2. **Objectivity** - Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments
3. **Confidentiality** - Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
4. **Competency** - Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services. Internal auditors will have a BA or BS degree and will have a Certified Public Accountant, a Certified Internal Auditor, and/or a JD designation (or be a candidate for each designation). Internal Auditors will complete continuing education to keep their certifications active.

Rules of Conduct -

1. Integrity

Internal auditors:

- 1.1 Shall perform their work with honesty, diligence, and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. Objectivity

Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. Competency

Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2 Shall perform internal audit services in accordance with the *International Standards for the Professional Practice of Internal Auditing*.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.
- 4.4 Shall ensure timely reporting of audit results.

The Director of Internal Audit will Ensure that:

- The audit staff is appropriately organized and competently supervised, and that professionalism is maintained through adherence to the applicable standards of the Institute of Internal Auditors (IIA) and the Information System Audit and Control Association (ISACA).
- Internal Auditors apply and uphold the IIA's Code of Ethics.
- Audits have been designed to detect significant operational and financial risks as well as to review the effectiveness, efficiency, and economy of operations.
- The audit staff has sufficient knowledge to identify the indicators of fraud but is not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.
- Operating managers, administrators, and chief executive officers are promptly and fully informed about the scope of each review, the findings, and the recommended measures for improvement.
- An annual audit schedule is submitted for approval to the Board of Regents Audit Committee.

In addition, the Director of Internal Audit will periodically report audit activities to the Audit Committee and will submit other reports as requested by the Audit Committee. Such written reports will include statements as to whether:

- The Internal Audit Office has had the unrestricted access necessary to carry out its duties;
- Appropriate action has been taken to correct findings described in audit reports; and
- Internal and external audits have been coordinated to avoid duplicating effort.

The Director, with the Audit Committee's approval, is authorized to establish and revise procedures for carrying out this policy.

APPROVED BY THE BOARD OF REGENTS ON: 11/15/2007; REVISED 12/21/2016;



UNIVERSITY SYSTEM
of MARYLAND

**Board of Regents
Committee on Education Policy and Student Life and Safety
Charge, Role, and Responsibilities**

Charge:

The Committee on Education Policy and Student Life and Safety shall perform all necessary business and provide guidance to the Board of Regents on issues that pertain to academic affairs and student affairs functions at the institutions within the University System of Maryland.

Role and Responsibilities:

The Committee on Education Policy and Student Life and Safety shall consider and report or recommend to the Board of Regents on matters concerning academic and student affairs-related policies and programs for all institutions and major units including, but not limited to, all issues relating to academic programs such as curriculum development, adequacy of instructional facilities and specialized centers and institutes, and institutional support for student academic services; matters and policies relating to faculty; student enrollment, recruitment, retention, transfer, and articulation; financial aid; campus safety and security; student health and wellness; student government; and student organizations; and the overall intellectual, social, and emotional climate of the university.

Members of the Committee on Education Policy and Student Life and Safety are appointed annually by the Chairperson of the Board. The Committee holds at least five regularly scheduled meetings during the fiscal year. The members of the Committee may expect to receive information for review in order to consider and report or recommend to the Board of Regents on any of the following matters:

- A. Institutional mission statements and goals
- B. Establishment and disestablishment of schools and colleges
- C. Proposals for new academic programs
- D. Review of existing academic programs and enrollments within those programs
- E. P-20 partnerships and initiatives
- F. Academic transformation and innovation
- G. Academic integrity
- H. Libraries
- I. Civic education and civic engagement
- J. Student life and student services
- K. Diversity, equity, inclusion, and accessibility
- L. Global engagement
- M. Student enrollment, recruitment, and retention
- N. Transfer and articulation
- O. Access and affordability
- P. Student health and wellness
- Q. Campus safety and security

- R. Title IX and sexual misconduct
- S. Faculty life and faculty conduct
- T. Faculty policies and procedures including, but not limited to, appointments in rank and promotion to tenure
- U. Faculty workload
- V. Faculty awards nominations
- W. Student awards and scholarships
- X. Honorary degree nominations
- Y. Extramural funding
- Z. Relevant issues, reports, or requests as brought to the USM by the Maryland Higher Education Commission and other state agencies
- AA. Additional pertinent issues as raised by the student, staff, and faculty advisory councils; university administrators; USM officials; and regents

The Committee on Education Policy and Student Life and Safety may receive, for information purposes from the Committee on Intercollegiate Athletics and Student-Athlete Health and Welfare, reports on academic issues (including but not limited to Academic Progress Rate and mid-year academic indicators) for and the health and wellness of student athletes and/or athletics teams.



UNIVERSITY SYSTEM
of MARYLAND

**Board of Regents
Committee on Finance
Charge, Role, and Responsibilities**

September 7, 2023

Charge:

The Committee on Finance shall perform all necessary business and provide guidance to the Board to help ensure the long-term financial health and development of the University System, informed by strong fiscal and administrative policies.

Role and Responsibilities:

The Committee on Finance shall consider and report or recommend to the Board of Regents on matters concerning financial affairs; capital and operating budgets; facilities; student enrollment; investments; real property transactions; business entities; procurement contracts; human resources; tuition, fees, room and board charges; and the overall long-range financial planning for the University System.

Members of the Committee on Finance are appointed annually by the Chairperson of the Board. There shall be at least one member with financial expertise and experience. The Committee shall meet as needed, but no fewer than four times during the fiscal year. The members of the Committee may expect to receive information for review in order to consider, and/or act on any of the following matters:

- A. Establishment of the University System's five-year Capital Improvement Program (CIP) request prior to its submission to the Governor. The CIP is comprised of a prioritized list of academic projects (e.g., instruction, research), for which State bond or cash funding is requested.
- B. Establishment of the University System's five-year System Funded Construction Program (SFCP) prior to its implementation. The SFCP incorporates prioritized requests from institutions for auxiliary and self-support projects (e.g., residence halls, parking facilities).
- C. Authorization to issue debt to fund the capital program through the use of academic and auxiliary revenue bonds.
- D. Off-cycle construction or renovation projects that exceed expenditure thresholds established in Board policy and procedures.
- E. Facilities Master Plans are high level, strategic land-use, and physical development plans, which help direct campus construction and improvements 10-20 years into the future. They also guide campus priorities for the annual capital budget request. Typically, a campus president will give a presentation where they describe the institution's goals on a wide range of topics related to

physical renewal and expansion, including: building location decisions, renovation and replacement options, utility expansion, real property acquisition, environmental concerns, and campus and community interaction.

- F. Capital projects status report which outlines the progress of all major design and construction projects underway System-wide. Data fields include, but are not limited to, overall cost, schedule, funding sources and prior approvals, as well as the name of the project architect and primary contractor.
- G. Aggregated energy and power purchase agreements; periodic reviews of progress by the System and individual institutions toward State sustainability goals pertaining to reduction of energy and greenhouse gas emissions.
- H. Acquisition and disposition of real property.
- I. Establishment of annual operating budget including state appropriation request to the Governor.
- J. Establishment of, or changes to tuition, mandatory student fees, and residential room and board rates.
- K. Student enrollment 10-year projection.
- L. Fall student enrollment attainment for each institution.
- M. The Finance Committee shall receive for information purposes, from the Committee on Intercollegiate Athletics and Student-Athlete Health and Welfare, the annual report of the finances of intercollegiate athletics for those institutions with athletics programs.
- N. Review on a regular basis certain of the System's material financial matters, including the annual audited financial statements, balance sheet management and debt strategy, review and endorsement of endowment spending rule.
- O. Reports and recommendations from the investment advisor(s) and investment manager(s) regarding the investment of the Common Trust Fund and asset performance.
- P. Establishment of business entities, public/private partnerships, and the initiatives covered under the Board's HIEDA policy.
- Q. Review dashboard metrics and monitor outcomes for organizational improvement and excellence.
- R. Establishment of, or changes to existing fiscal and administrative policies.
- S. Human resources policies for all staff employees including but not limited to recruitment, retention, administration of benefits and leave, compensation and classification, layoff, separation, and grievances. This Committee shall also consider and recommend any changes to the exempt and nonexempt staff salary structures.
- T. Consider and recommend institutional requests for Voluntary Separation Incentive Plans.
- U. Awarding of contracts and entering into cooperative agreements as specified in VIII-3.0 USM Procurement Policies and Procedures. This Committee shall approve all contracts that exceed \$5 million except contracts for capital projects, sponsored research, and real property.
- V. Pursuant to Section 13-306 of the Education Article, the annual contract, and any amendments thereto, between University of Maryland, Baltimore (UMB) and University of Maryland Medical

System Corporation which states all financial obligations, exchanges of services, and any other agreed relationships between them for the ensuing fiscal year concerning the University of Maryland Medical Center. Section 13-306 requires that the annual contract be submitted to the Board of Regents, upon recommendation of the UMB president, for consideration, any modification, and approval.

W. Continue as stewards of the USM Effectiveness and Efficiency efforts including:

- Supporting USM's strategic priorities of excellence, access and affordability, innovation, increased economic impact, and responsible fiscal stewardship.
- Emphasizing collaboration and inter-institutional activities.
- Fostering innovation and entrepreneurship to promote cultural changes and new operating models.
- Promoting the optimal use of technology in support of systemwide and campus operations.
- Reviewing and discussing periodic reporting on initiatives that promote effectiveness and efficiencies in the USM operating model, increase quality, serve more students, and optimize USM resources to reduce pressure on tuition, yield savings and cost avoidance.

TOPIC: Convening Closed Session

COMMITTEE: Committee of the Whole

DATE OF MEETING: January 24, 2024

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 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 Board determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Board 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 Committee vote to reconvene in closed session.

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Denise Wilkerson, dwickerson@usmd.edu, 410-576-5734



STATEMENT REGARDING CLOSING A MEETING
OF THE USM BOARD OF REGENTS
GOVERNANCE AND COMPENSATION COMMITTEE

Date: January 24 2024
Time: Approximately 8:45 a.m.
Location: Zoom

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:

1. Pre-negotiation briefing regarding a collective bargaining MOU;
2. Update on status of collective bargaining at USM institutions; and

3. Information update regarding specific personnel contracts subject to review under BOR VII-10.0 Policy on Board of Regents Review of Certain Contracts and Employment Agreements.

REASON FOR CLOSING:

1. To maintain confidentiality regarding collective bargaining negotiations (§3-305(b)(9)); and
2. To maintain confidentiality of discussion regarding specific employment agreements and compensation (§3-305(b)(1)).