

Preamble, S.B. 682 (1999). The USM's status as a public corporation is crucial to achieving economic development and other goals related to its mission and the needs of the State. This policy affirms the USM's commitment to serve the State as a leading force in research, economic growth, and workforce development in Maryland, and sets out its statutory powers as a public corporation as conferred by the General Assembly.

II. PRINCIPLES

- A. The USM will meet its statutory charge to function as an effective public corporation, so that the USM can meet State expectations that it will:
 1. Attract ever-increasing research funding, activity and expertise to enhance Maryland's stature as a center for the bio-sciences, homeland security and other key knowledge industry fields;
 2. Improve the health and wellbeing of Maryland's citizens, based upon its scientific, medical and public health research;
 3. Be a driving force in State economic development as its research enterprise translates into technology transfer, innovation, and entrepreneurship that spurs new business development in Maryland;
 4. Meet the sophisticated workforce development needs of the State's knowledge economy; and
 5. Perform all of these functions in an increasingly global community and marketplace.
- B. The USM's ability to compete and thrive as a public corporation is critical to the State's

- C. In establishing the USM as a public corporation, the General Assembly conferred upon the Board the powers of a Maryland corporation, as well as other statutory powers, which can be limited only by statutes that impose restrictions specifically on the USM.
- D. As it performs its functions as a public corporation, the USM is accountable to the executive and legislative branches of government through reporting and audit measures established by the General Assembly.

III. COMMITMENT TO CONTINUOUS IMPROVEMENT.

The Board is committed to the continuous improvement of its effectiveness as an engine of State economic growth, including:

- A. The enhancement and protection of the USM's function as a public corporation;
- B. Strong accountability to the State and the public; and
- C. Improved efficiency in the management of the USM to better meet this goal.

IV. IMPLEMENTATION

The Chancellor and the Presidents are responsible for the implementation of this policy.

4. Issue bonds, notes and other obligations and secure them by mortgages or deeds of trust;
5. Acquire, own, use, improve and deal in any interest in real or personal property, wherever located;
6. Acquire, own, hold , and dispose of stock and other interests in and obligations of other corporations, associations, partnerships and individuals;
7. Invest its surplus funds and lend money to carry on operations or fulfill the purposes of its charter;
- 8.

3. Acquisition and exchange of real property and interests therein must be approved by the Board of Public Works. Educ. 12-104 (g) and (h) and 12-105(b).
- B. Management of Personnel. The Presidents have the authority to appoint, compensate, promote and terminate faculty and staff personnel, subject to policies established by the Board and the State's collective bargaining law. The USM is otherwise independent of requirements that govern the State Personnel System. Educ. 12-111 and 12-112.
 - C. Procurement. The USM is exempt from Division II Of the State Finance and Procurement Article governing procurement of goods and services by state agencies, except that:
 1. The Board must adopt procurement policies that are approved by the Board of Public Works.
 2. Contracts for goods and services that exceed certain amounts must be approved by the Board of Public Works.
 3. Certain discrete provisions of Division II enumerated by the General Assembly continue to apply to the USM. Educ. Section 12-105 and St. Fin. and Proc. Section 11-203(e).

IV. USM ACCOUNTABILITY

In the exercise of its corporate powers, the USM is fully accountable to the legislative and executive branches of State government through statutory requirements that include:

- A. Regular Reporting Requirements. The USM must provide periodic reports regarding a full range of aspects of its academic, fiscal and administrative operations to various state government authorities, including, as appropriate, the Governor, the General Assembly, the Board of Public Works, the Maryland Higher Education Commission, and other state agencies and entities.
- B. Information upon Request. Under Educ. 12-105 (c), the USM must provide information on any phase of operation requested by the Board of Public Works or a member of the General Assembly.
- C. Audit. The USM and its institutions are subject to audit by the Legislative Auditor. 12-105(f).