

BOARD OF REGENTS
COMMITTEE ON FINANCE
May 29, 2024
Meeting via Video and Conference Call

Minutes of the Public Session

Regent Fish welcomed those on the video and teleconference and called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:31 a.m.

Regents participating in the session included: Ms. Fish, Mr. Gonella, Ms. Gooden, Mr. Hasan, Ms. Helal, Mr. Pope, and Mr. Sibel. Also participating were: Chancellor Perman, Ms. Herbst, Dr. Wrynn, Dr. Masucci, Ms. Lawrence, Mr. Mosca, Assistant Attorney General Bainbridge, Assistant Attorney General Palkovitz, Dr. Fowler, Dr. Caraco, Ms. Aughenbaugh, Mr. Bitner, Ms. Brace, Mr. Colella, Ms. Dettloff, Mr. Donoway, Ms. Edenhart-Pepe, Mr. Henley, Mr. Lockett, Mr. Lowenthal, Mr. Oler, Dr. Rhodes, Mr. Sergi, Mr. Maginnis, Ms. Watson, Mr. Ullmann, Ms. Peartree, Mr. Trierweiler, Mr. Zain, Ms. Barry, Ms. Auburger, Mr. Beck, Ms. Denson, Mr. Hickey, Mr. Li, Mr. Muntz, Ms. Norris, Ms. Skolnik, Mr. Bothun, Mr. Brown, Ms. Bucko,

2. FY 2025 System Funded Construction Program Request (action)

Regent Fish explained that this item concerns the recommendation for the FY 2025 System Funded Construction Program (SFCP), which includes funding from USM Auxiliary Bonds and cash funding by institutions as outlined in the attachments. If the Board approves the SFCP at its June meeting, the budget will become effective on July 1. Regent Fish advised the committee that while the approval is for the single asking-year budget, Board policy requires a full five-year plan. She noted that three ongoing public-private partnership (P3) projects had previously been presented to the committee and highlighted that P3 projects typically impact USM debt capacity.

In response to questions about the process of evaluating, prioritizing, and selecting projects, Mr. Beck reviewed a Capital Budgeting Process flow chart and offered to follow up with Regent Hasan and other members of the committee. Regent Fish mentioned that there would be a capital budget workshop next spring in advance of the June meeting cycle.

Addressing a question about affordable student residences for all campuses, Chancellor Perman indicated that this is a top priority, and the team is focused on this issue. Sr. Vice Chancellor Herbst added that the team is working with the two construction management service centers to ensure the USM gets the best value for its projects, noting that modular construction is one consideration.

The Finance Committee recommended that the Board of Regents approve the FY 2025 System Funded Construction Program request with the conditions listed (and within the attached materials) and authorize the Chancellor to make appropriate changes consistent with existing Board policies and guidelines. Any such changes will be reported to the Committee on Finance.

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

Vote Count = Yeas: 7 Nays: 0 Abstentions: 0

3. University System of Maryland: Forty-

8. University of Maryland, College Park: Lease Extension at Diamondback Garage (action)

Regent Fish greeted Mr. Colella, Mr. Oler, and Mr. Maginnis and proceeded to summarize the request. The University is seeking to exercise its first option to renew a lease for 20,286 leasable square feet of commercial space on the ground floor of The Hotel at the University of Maryland. The lease term is for ten years, and the University is exercising this option early to negotiate longer-term leases with its sub-tenants. The projected base rent for the first year of the option term is \$29.50 per square foot, totaling just under \$600,000 annually. In response to Regent Fish's inquiry about how the University knows if this rate is fair market, Mr. Colella described the location of the space, situated on the lower-level side of the Hotel facing a parking lot, with rents in the area slightly higher. Mr. Maginnis added that eight

The Finance Committee recommended that the Board of Regents approve for the University of Maryland Global Campus the one-year extension of its contract with UMGC Ventures, Inc. as described in the agenda item.

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

Vote Count = Yeas: 6 Nays: 0 A1a10(i)-8(o)5(n)25721.ty4qr-0\$JETQ10njETQ1ono

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Minutes of the Closed Session

Closed Session (Part One)

4.