



USM Board of Regents
Committee on Organization and Compensation
June 7, 2018
Columbus Center Multipurpose Room

AGENDA FOR OPEN SESSION

8:30 a.m.

Call to Order

Regent Gooden

1. [Status Report of Work Plan on Executive Compensation and Governance \(information\)](#)
2. [Annual Report of BOR Policy Reviews \(information\)](#)
3. [Reconvene to Closed Session \(action\)](#)



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Status of Work Plan on Executive Compensation and Governance

COMMITTEE: Organization and Compensation

DATE OF MEETING: June 7, 2018

SUMMARY: The attached spreadsheet provides a status report of the work plan developed to address the recommendations of the Report on Executive Compensation and Governance from Sibson.

The committee will discuss outstanding items and reprioritize the remaining actions, if needed.

ALTERNATIVE(S): The Committee could choose not to discuss the topic.

FISCAL IMPACT: Components of the work plan may require external expertise; however, it is anticipated that the fiscal impact will be minimal.

CHANCELLOR'S RECOMMENDATION: The Chancellor recommends that the Committee discuss the status report and suggest any necessary edits.

COMMITTEE ACTION: DATE: June 7, 2018

BOARD ACTION: DATE:

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

Executive Compensation and Governance Study Work Plan				
Objectives	Status	Target Completion Date	Responsible Staff	Comments
Develop a compensation philosophy				
Outline the goals and desired objectives of the executive compensation program, compensation elements, peer group, desired pay positioning, etc.	Completed	Completed 9.15.17	Chancellor's Office	
Enhance governance tools and processes				
Expand and formalize the charter for the Organization and Compensation Committee	Completed	Completed 12.15.17	Chancellor's Office	
Create tally sheets for the Chancellor and presidents to provide year-over-year detailed compensation to regents in a consistent format	Completed	Complete	Chancellor's Office	
Develop an annual calendar of key actions required in performance assessment and compensation administration	Completed	Completed 12.15.17	Chancellor's Office	
Conduct education sessions for the Organization and Compensation Committee and/or the BOR on current topics in executive compensation and governance	Working on developing ideas	TBD	Outside Assistance	
Streamline goal setting and evaluation approach				
Develop a standard template and process for annual goal development and performance evaluation to allow for a simpler, quicker assessment that also balances the Chancellor and presidents' needs for personalization with System's need for greater consistency. The template should be automated, if practicable, and may incorporate scorecard/longitudinal metrics currently used at the System and longer-term strategic planning measurement.	Completed	Draft approved at 4.20.18 BOR meeting	Chancellor's Office	
Review the current guidelines for five-year presidential reviews and recent five-year review reports and determine needed improvements in the process, if any. The guidelines should be updated to reflect agreed upon changes.	In progress	Summer 2018	Chancellor's Office	Discussed at Org and Comp meeting on 3.29.18
Conduct periodic total remuneration reviews				
Supplement annual base salary reviews of recently developed peer groups with total remuneration assessments every 3 to 5 years to ensure continued market competitiveness of the full compensation package. Components include the aging of data, update of data from peers and reassessment of peers.	In progress		May-18 Chancellor's Office	Administration and Finance aging data

Explore the use of incentives and/or deferred compensation vehicles				
The use of incentive pay has been increasing across higher education and is expected to continue. Sibson Consulting estimates that currently about 20-30% of institutions provide incentives to executives, however, they are more prevalent in private institutions than public institutions.		Summer 2018	Outside Assistance	
Review process and guidelines for chancellor and presidential searches and create a succession planning process across the system				
Review current process, outcomes and guidelines for chancellor and presidential searches and determine needed improvements in the process, if any. The guidelines should be updated to reflect agreed upon changes.	In progress	Summer 2018	Chancellor's Office	Discussed at Org and Comp meeting on 3.29.18 - will continue discussions
Develop a succession planning process to help retain high performing incumbents who demonstrate top executive potential and help alleviate the future expected competition over scarce resources.		TBD	Outside Assistance	



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: BOR Policy Review Annual Report

COMMITTEE: Organization and Compensation

DATE OF MEETING: June 7, 2018

SUMMARY: The USM Board of Regents follows a comprehensive approach, approved by the Organization and Compensation Committee, for the review of BOR bylaws and policies that provides for a review of bylaws and policies on a 4-year cycle. The attached annual report lists the bylaws and policies reviewed in FY 2018.

ALTERNATIVE(S): Information item

FISCAL IMPACT: Minimal

CHANCELLOR'S RECOMMENDATION: Information item

COMMITTEE ACTION: Information item only.

DATE: June 7, 2018

BOARD ACTION:

DATE:

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

Review of BOR Bylaws and Policies
FY 2018 Annual Report
June 2018

I. Finance Committee

Financial Affairs:

1. V-2.10 Policy on Reports on Intercollegiate Athletics – REVIEW UNDERWAY/PROPOSED CHANGES BEING CONSIDERED
2. VIII-7.00 Policy on Financial Management – REVIEWED/NO CHANGES NECESSARY
3. VIII-7.30 Policy on Responses to Legislative Audits – REVIEWED/NO CHANGES NECESSARY
4. VIII-12.00 Policy on Debt Management – UPDATED/REVISED
5. VIII-11.00 Policy on University System Travel – REVIEWED/REVISIONS IN PROCESS
6. VIII-11.10 Schedule of Reimbursement Rates – REVIEWED/REVISIONS IN PROCESS
7. VIII-18.00 Policy on Fund Balances – NEW
8. IX-2.00 Policy on Affiliated Foundations – REVIEW UNDERWAY/REVISIONS IN PROCESS/POLICY TO BE DIVIDED INTO TWO NEW SEPARATE POLICIES

Tuition and Fees:

9. VIII-2.50 Policy on Student Tuition, Fees, and Charges – UPDATED/REVISED
- Capital Planning:
10. VIII-10.00 Policy on Facilities Master Plans – REVIEWED/NO CHANGES NECESSARY
 11. VIII-10.10 Policy on Facilities Renewal for Auxiliary and Non-Auxiliary Capital Assets – REVIEWED/NO CHANGES NECESSARY
 12. VIII-10.20 Policy on the Capital Budget of the USM – AMENDED IN 2016. REVIEWED/NO CHANGES NECESSARY
 13. VIII-10.30 Policy on Authority Concerning Certain Public Improvement Projects – REVIEWED/NO CHANGES NECESSARY
 14. VIII-10.40 Policy On Community Notification Of Capital Projects – REVIEWED/NO CHANGES NECESSARY

Procurement:

15. VI-3.00 Policy on Advertising – REVIEW UNDERWAY
16. VIII-4.00 Policy on Acquisition, Disposition, and Leasing of Real Property – REVIEW UNDERWAY
17. VII-4.01 Procedures for the Acquisition and Disposition of Real Property – REVIEW UNDERWAY
18. VIII-3.00 USM Procurement Policies and Procedures—Revisions to Appendix A: USM Uniform Terms and Conditions – UPDATED/REVISED
 - The E&E 2.0 Procurement Workgroup undertook a comprehensive review the prior fiscal year examining the 11 sections and Appendix A that comprises the USM Terms and Conditions. While minor changes were made to Appendix A, a more thorough review was undertaken by the Workgroup in conjunction with the Office of Attorney General. These revisions were presented to the Finance Committee and Board as information items during the June meetings in 2017.

Human Resources:

19. II-2.25 Policy on Parental Leave and other Family Supports for Faculty – UPDATED/REVISED

20. II-2.30 Policy on Sick Leave for Faculty Members – REVIEW UNDERWAY
 21. II-2.31 Policy on Family and Medical Leave for Faculty – UPDATED/REVISED
 22. VII-7.45 Policy on Sick Leave for Exempt and Nonexempt Staff Employees – REVIEW UNDERWAY
 23. VII-7.49 Policy on Parental Leave and other Family Supports for Staff – UPDATED/REVISED
 24. VII-7.50 Policy on Family and Medical Leave for Nonexempt and Exempt Staff Employees – UPDATED/REVISED
- Information Technology:
25. X-1.00 Policy on USM Institutional Information Technology—USM IT Security Standards – UNDER REVIEW
 26. X-2.00 Policy on Compliance with USM Policies Through Technology – REVIEWED/NO CHANGES NECESSARY

II. Education Policy and Student Life Committee

1. Policy on Substance Use Disorder Recovery Programs – NEW POLICY
2. III-4.00: Policy on Undergraduate Admissions – REVISED
3. Policy on Student Affairs – UNDER REVIEW

III. Advancement Committee

No policies reviewed during 2017-2018

IV. Economic Development Committee

1. IV-2.20: Policy on Classified and Proprietary Work – REVISED
2. IV-3.20: Policy on Intellectual Property – MINOR REVISION NOVEMBER 2017. ANTICIPATE REVIEWING IN FULL IN FY 2019

V. Organization and Compensation Committee

1. I-1.00: Policy on Council of University System Presidents – REVISED
2. 1-4.00: Policy Concerning the Establishment of Institutional Boards – UNDER REVIEW
3. VI-1.00: Policy on Affirmative Action and Equal Opportunity – UNDER REVIEW
4. VI-1.05: Policy on Non-Discrimination on the Basis of Sexual Orientation – UNDER REVIEW
5. VI-1.10: Policy on Acts of Violence and Extremism – UNDER REVIEW
6. VI-7.00: Policy on Chaplains – UNDER REVIEW
7. VI-9.00: Policy on Establishment of Institutional Traffic Regulations – REVIEWED. NO CHANGES NECESSARY
8. IX-1.00: Policy of the Board of Regents on Governmental Relations – UNDER REVIEW

VI. Audit Committee

1. Committee on Audit Charter – REVIEWED. NO CHANGES NECESSARY
2. Board of Regents Bylaws Section 3. Committee on Audit - REVIEWED. NO CHANGES NECESSARY
3. Policy VIII-7.20 - Policy on External Audits – REVIEWED AT COMMITTEE'S JUNE MEETING
4. Policy VIII-7.30 - Policy on Responses to Legislative Audits - REVIEWED AT COMMITTEE'S JUNE MEETING
5. Policy VIII-7.50 - USM Internal Audit Office Charter - REVIEWED AT COMMITTEE'S JUNE MEETING



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Convening Closed Session

COMMITTEE: Organization and Compensation

DATE OF MEETING: June 7, 2018

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 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 BOR Committee on Organization and Compensation vote to reconvene in closed session.

COMMITTEE ACTION: DATE: June 7, 2018

BOARD ACTION: DATE:

SUBMITTED BY: Denise Wilkerson, dwickerson@usmd.edu, 301-445-1906



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

Date: June 7, 2018
Time: Approximately 9:00 a.m.
Location: Multipurpose Room
Columbus Center

STATUTORY AUTHORITY TO CLOSE A SESSION

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

- (1) To discuss:
 - [X] (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
 - [X] (ii) Any other personnel matter that affects one or more specific individuals.
- (2) [X] 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) [X] 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.

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

- [] Administrative Matters

TOPICS TO BE DISCUSSED:

1. Update on collective bargaining negotiations at UMBC.
2. Ratification of collective bargaining MOUs at FSU, BSU, and UMCP.
3. Review of salary information at UMCP.
4. Information update regarding athletics contract at UMBC subject to review under BOR VII-10.0 Policy on Board of Regents Review of Certain Contracts and Employment Agreements.
5. Request for emeritus status for institutional president.
6. Review of presidential salary information.
7. Annual performance review of USM Chancellor.

REASON FOR CLOSING:

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

4. To maintain confidentiality of discussion regarding possible grant of emeritus status, which involves considerations regarding individual performance and personal characteristics of an employee (§3-305(b)(1) and (b)(2)).
5. To maintain confidentiality of discussion regarding performance review of employee (§3-305(b)(1)).