



USM Board of Regents  
Committee on Governance and Compensation  
November 5, 2020  
Zoom

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**AGENDA FOR OPEN SESSION**

**8:30 a.m.**

**Call to Order**

**Regent Rauch**

1. [Approval of Public and Closed Session Minutes from September 10, 2020 Committee on Governance and Compensation Meeting \(action\)](#)
2. [Review of Committee Charters \(action\)](#)
3. [Convene to Closed Session \(action\)](#)

**DRAFT**



USM Board of Regents  
Committee on Governance and Compensation  
Minutes from Public Session  
September 10, 2020  
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 8:36 a.m. Thursday September 10, 2020 via Zoom.

Those in attendance included Regents Rauch, Gooden, Gossett, Gourdine, Mears, Neall, and Wood; Chancellor Perman; AAGs Bainbridge and Langrill; Associate Vice Chancellor Skolnik, and Ms. Wilkerson.

- 1. Review of Committee on Governance and Compensation Charter.** The Regents voted to approve the Committee on Governance and Compensation Charter with amendments proposed during the meeting. (Moved by Regent Gossett, seconded by Regent Gooden; unanimously approved).
- 2. Policy Review Timeline/Workplan.** The Regents discussed the timeline and a workplan for policies that are assigned to the Committee on Governance and Compensation for review.
- 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 Wood, seconded by Regent Gossett; unanimously approved).

The public session meeting adjourned at 8:47 a.m.

**DRAFT**



USM Board of Regents  
Committee on Governance and Compensation  
Minutes from Closed Session  
September 10, 2020  
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 8:48 a.m. on Thursday September 10, 2020 via Zoom.

Those in attendance included Regents Rauch, Gooden, Gossett, Gourdine, Mears, Neall, and Wood; Chancellor Perman; AAGs Bainbridge and Langrill; Associate Vice Chancellor Skolnik, and Ms. Wilkerson.

- 1. Collective Bargaining Update.** The Regents were provided with the status of collective bargaining negotiations at each USM institution. (§3-305(b)(9)); (§3-305(b)(1)).
- 2. Collective Bargaining Education Discussion.** Associate Vice Chancellor Skolnik provided a collective bargaining education session that covered the background of collective bargaining in the USM and strategies for the future. (§3-305(b)(9)).
- 3. Multi-Year Review Schedule.** The Regents discussed the schedule for USM presidents' multi-year reviews. (§3-305(b)(1)).
- 4. Presidential Transition.** The Regents discussed the transition of a USM president. (§3-305(b)(1)).
- 5. Review of Certain Contracts and Employment Agreements.** The Regents reviewed a personnel contract from UMB subject to review under Policy VII-10.0. (§3-305(b)(1)).
- 6. Update on Presidential and Chancellor Compensation.** The Regents discussed presidential and chancellor compensation. (§3-305(b)(1)).

The closed session meeting adjourned at 10:28 a.m.



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Review of Committee Charges

**COMMITTEE:** Committee on Governance and Compensation

**DATE OF MEETING:** November 5, 2020

**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. The charges of each committee are attached for review.

**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.

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COMMITTEE ACTION: DATE: November 5, 2020

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BOARD ACTION: DATE:

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SUBMITTED BY: Denise Wilkerson; [dwilkerson@usmd.edu](mailto:dwilkerson@usmd.edu); 301-445-1906

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### **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.**

**University System of Maryland**  
**Board of Regents Audit Committee**  
**Audit Committee Charter**  
**Established June 2006 and Last Revised – November 22, 2019**

**PURPOSE**

To assist the Board of Regents in fulfilling its responsibilities for overseeing the adequacy of and compliance with the internal controls, BOR Policies, risk management practices, investigative activity, governance processes, and to oversee the sufficiency and appropriateness of the financial reporting of the University System of Maryland.

**AUTHORITY**

The Audit Committee (Committee) is granted the authority to investigate any activity of the USM, and all employees are directed to cooperate as requested by ~~members the~~ Committee Chair or Committee of the Whole of the Committee. The Committee, with the approval of the Board, is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility. It is empowered to:

- Appoint, compensate and oversee the work of the Director of Internal Audit and the public accounting firm employed by the organization to conduct the annual audit. This firm and the Director of Internal Audit will report directly to the Audit Committee.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Retain independent accountants or others qualified professionals to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from employees--all of whom are directed to cooperate with the committee's requests--or external parties.
- Meet with USM officers, external auditors or outside counsel, as necessary.
- The committee may delegate authority to subcommittees, providing that decisions are presented to the full Committee at its next scheduled meeting.
- Review and approve the yearly internal audit plan and oversee the effectiveness of the internal audit function.

**COMPOSITION**

The Audit Committee shall comprise not less than **5** or more than **7** members. The majority of the members must be knowledgeable about financial matters and have financial literacy as a whole. The Chairman of the Board of Regents shall appoint the members of the Audit Committee, and select the Audit Committee's Chair, to serve one year terms. A majority of members of the committee shall constitute a quorum.

## MEETINGS

The Audit Committee is to meet at least four times each year, and as many more times as it deems necessary. All Committee members are expected to attend each meeting. As necessary or desirable, the Committee Chair ~~chairman~~ may request that members of management and the representatives of the independent auditor or other advisors be present at meetings of the Committee.

## RESPONSIBILITIES:

1. The Committee on Audit shall render advice and assistance to the Board of Regents in fulfilling its fiduciary responsibilities for overseeing the adequacy of and compliance with the internal controls, BOR Policies, risk management practices, investigative activity, governance processes, and to oversee the sufficiency and appropriateness of the financial reporting of the University System of Maryland.
2. This Committee shall review independent audit proposals including the scope of examination, services to be provided, reports to be rendered and fees to be charged, recommend to the Board the selection and scope of work of the independent external auditor of the University System of Maryland, review findings received there from and provide the Board with appropriate reports.
3. This Committee shall review legislative audits of the institutions of the University System and institutional responses thereto, and provide the Board with appropriate reports.
4. This Committee shall review and recommend to the Board the scope of the internal audit function. The Committee shall review the Charter of the Office of Internal Audit, its annual plan of work, its reports and administrative actions taken regarding its recommendations, and its annual report of significant audit items, and shall provide the Board with appropriate reports on the activities of that office. The Committee shall review the performance of the Director of Internal Audit and monitor the effectiveness of the internal audit function.
5. In fulfillment of these responsibilities this Committee shall foster direct communications with the external auditors on an annual basis or as otherwise deemed appropriate, and shall assure direct access from the Office of the Internal Audit, including meeting privately, at least on an annual basis, with the Director of Internal Audit.
6. This Committee shall monitor the Board's observance of the State Ethics Code as it pertains to possible conflict of interest with matters of the University System of Maryland.

7. This Committee shall assist the Board in fulfilling its responsibility to comply with Md. Education Code Ann. Section 12-104(p) review of annual financial disclosure statements—The Board of Regents shall review the annual financial disclosure statements filed by the Chancellor and the presidents of each constituent institution in accordance with Section 5-607 of the General Provisions Article.
8. The Committee shall review the annual financial disclosure statements filed by the members of the Board of Regents in accordance with Section 5-607 of the General Provisions Article.
9. The Committee shall render advice and assistance to the Board of Regents in fulfilling its responsibilities for overseeing the sufficiency and adequacy of Enterprise Risk Management of the University System of Maryland as defined in BOR Policy - VIII-20.00 Policy on Enterprise Risk Management.





Board of Regents  
Committee on Economic Development and Technology Commercialization  
September 10, 2020

Charge:

The Committee on Economic Development and Technology Commercialization shall provide strategic leadership for the USM's economic development and technology commercialization, innovation, and entrepreneurial initiatives.

Role and Responsibilities:

The Committee on Economic Development and Technology Commercialization shall consider and report or recommend to the Board of Regents on matters concerning economic development and technology commercialization, innovation and entrepreneurial initiatives, and translational research and technology transfer.

Members of the Committee on Economic Development and Technology Commercialization are appointed annually by the Chairperson of the Board. The Committee shall meet as needed, but no fewer than four times during the fiscal year.

Created in July 2011 in recognition of the increasing importance of translational research, entrepreneurship and innovation, and the supply of skilled workers in STEM fields for the State of Maryland, the Committee, working with the Vice Chancellor for Economic Development, may expect to receive information for review in order to consider, and/or act on any of the following matters:

- A. Strengthening the USM entrepreneurial ecosystem
- B. Aligning resources with market demand
- C. Leveraging USM resources through collaborations
- D. Engaging the investment community and enhance access to capital for USM affiliated startups and innovators
- E. Enhancing partnerships with industry, state, and federal entities



Board of Regents  
Committee on Finance  
September 10, 2020

BYLAWS Article X. Section 5.

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 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 prior to its submission to the Maryland Higher Education Commission.
- L. Fall student enrollment attainment for each institution.
- M. Annual reports of the finances of intercollegiate athletics for those institutions with Division I programs.
- N. Review on a regular basis certain of the University'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. 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.
- U. 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.
- V. 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.

## **Committee on Governance & Compensation**

### **PURPOSE**

To assist the Board of Regents in fulfilling its responsibilities for the oversight of leadership of the University System of Maryland, specifically pertaining to optimal performance of the Board and personnel matters.

### **RESPONSIBILITIES**

The Governance and Compensation Committee regularly meets six times annually and, with the approval of the BOR, is granted the authority to ensure that the Board operates according good governance principles and realizes its full potential as high performing Board. The committee is charged with reviewing matters pertaining to the organization and leadership structure of the University System of Maryland, its constituent institutions and centers and the System Office, other personnel matters such as collective bargaining agreements, compensation for individuals under BOR Policy VII-10.0 and matters pertaining to the optimal operation of the BOR.

- A. Leads the Board in evaluating its performance, including developing guidelines for Board evaluations, administering biannual Board self-assessments, coordinating periodic comprehensive reviews of the Board, and assessment of Board committees.
- B. Reviews Board Bylaws as needed and recommends changes for Board approval.
- C. Reviews the program for new Regent orientation and ongoing Board development to ensure that Regents receive appropriate education and training, including Regent Mentor program and Regent Liaison Program.
- D. Reviews and monitors compliance related to Board composition and Regent attendance.
- E. Certifies the annual review of committee charters.
- F. Defines and implements USM's philosophy for executive compensation, including
  - Periodic benchmarking and aging of peer compensation data;
  - Conducting a comprehensive review of peer data every 3 – 5 years;
  - Utilizing data to inform compensation for new presidents and chancellors; and
  - Monitor trends in compensation and maintain compensation tally sheets.
- G. Develops and implements a framework for goal setting and annual and comprehensive executive performance review, including
  - Establishing/reviewing guidelines for comprehensive performance reviews of the USM Presidents and Chancellor
  - Approving annual goals for the Chancellor and USM Presidents,
  - Reviewing annual performance assessments of the USM Presidents and Vice Chancellors,

- Conducting an annual review of the Chancellor,
  - Conduct a comprehensive review of the Presidents every 3 – 5 years and review feedback,
  - Under special circumstances, request additional performance reviews of the Chancellor and USM presidents, as appropriate
- H. Recommends to the Board appointments and compensation for an Acting or Interim Chancellor or, on the recommendation of the Chancellor, Acting or Interim Presidents in the event of vacancies.
- I. Monitors trends and opportunities for succession planning and leadership development
- J. Maintains guidelines for Chancellor and Presidents Searches.
- K. Maintains an annual calendar for the Governance and Compensation Committee
- L. Maintains a schedule for USM policy review.
- M. Reviews for information purposes contracts and appointment letters of certain personnel entered into by the USM and its institutions in accordance with Board of Regents Policy VII-10.0 Policy on Board of Regents Review of Certain Contracts and Employment Agreements.
- N. Develops the parameters for compensation and terms of appointment for President and Chancellor hires for recommendation to the Board, to permit the Board to delegate negotiation of an appointment letter to the Chancellor or, in the case of a Chancellor's hire, the Board Chair.
- O. Reviews and recommends for board approval, as appropriate, collective bargaining agreements and related reporting on collective bargaining activity in the USM.



**BOARD OF REGENTS**

SUMMARY OF ITEM FOR ACTION,  
INFORMATION OR DISCUSSION

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**TOPIC:** Convening Closed Session

**COMMITTEE:** Committee on Governance and Compensation

**DATE OF MEETING:** November 5, 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 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 BOR vote to reconvene in closed session.

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COMMITTEE ACTION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Denise Wilkerson, [dwilkerson@usmd.edu](mailto:dwilkerson@usmd.edu), 301-445-1906

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

Date: November 5, 2020  
Time: Approximately 9:00 a.m.  
Location: Zoom

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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.



FORM OF STATEMENT FOR CLOSING A MEETING

PAGE TWO

- (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):

- [X] Administrative Matters

TOPICS TO BE DISCUSSED:

1. Ratification of MOU between USM institution and the MCEA for Nonexempt Employees;
2. Update on status of collective bargaining at USM institutions;

3. Discussion of BOR strategy regarding communication concerning proposed legislation;
4. Information update regarding a specific personnel contract at UMCP 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 at USM institutions (§3-305(b)(9));
2. To maintain confidentiality of a discussion regarding specific employment agreements (§3-305(b)(1)); and
3. To discuss an administrative matter concerning communication strategy regarding proposed legislation (§3-103(a)(1)(i)).