This bill expands the membership of the Board of Regents of the University System of Maryland (USM) to include four additional members as specified. The bill also specifies requirements for the members appointed from the general public. The chairperson of the board, who is elected from among board members, is subject to the advice and consent of the Senate. Further, the board must (1) make available to the public live and archived video streaming of each open meeting; (2) allow time at each open meeting for public comment; (3) include all motions and vote tallies from open and closed sessions in publicly available board meeting minutes; and (4) conduct any votes related to the employment or termination of university presidents or the chancellor in an open session. Finally, the bill establishes the Workgroup to Study Oversight of USM to be staffed by the Department of Legislative Services (DLS). The bill takes effect July 1, 2019. The workgroup terminates June 30, 2020.

**Fiscal Summary**

**State Effect:** Beginning in FY 2020, general fund expenditures increase by an estimated $12,000 annually to live stream and archive each open meeting. Other costs can likely be handled with existing resources as discussed below. Revenues are not affected.

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>GF Expenditure</td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Net Effect</td>
<td>($12,000)</td>
<td>($12,000)</td>
<td>($12,000)</td>
<td>($12,000)</td>
<td>($12,000)</td>
</tr>
</tbody>
</table>

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; () = indeterminate decrease

**Local Effect:** None.

**Small Business Effect:** None.
Analysis

Bill Summary:

Board of Regents

Specifically, the board is expanded to include the Secretary of Commerce, one member appointed by the President of the Senate, one member appointed by the Speaker of the House, and a second student member. Members appointed from the general public must include (1) one individual with a background in higher education administration; (2) one individual with a background in finance; and (3) one individual with a background in diversity and workplace inclusion.

After the fortieth day from the commencement of each regular session of the General Assembly, the Senate must consider each year’s gubernatorial appointees to the USM Board of Regents collectively to ensure adequate balance of membership. At the expiration of each member’s full term, the Governor must appoint a replacement member or must submit a letter to the Senate in order to extend the term of the existing member. Subject to the advice and consent of the Senate, the board elects a chairperson in December each year.

The term of a student member of the board is increased from one to two years. Of the two student members, only one student member may be a voting member of the board each year. Further, a student member can be a voting member only one year of a two-year term.

Workgroup to Study Oversight of the University System of Maryland

The workgroup must:

- review oversight policies for the constituent institutions under USM;
- compile information on the governing structure of university boards nationally; and
- review best practices for the organization, governance, and oversight of university systems and governing boards.

By December 31, 2019, the workgroup must report its findings to the Governor and the General Assembly.

A member of the workgroup may not receive compensation but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.
**Current Law/Background:** The government of USM is vested in the Board of Regents of USM. The board consists of 17 members.

Except for the student member, each appointed member serves for a term of five years from July 1 of the year of appointment and until a successor is appointed and qualifies. These members may be reappointed. The student member serves a one-year term, from July 1, and may be reappointed if the student remains a student at any campus of USM. A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

Board members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations.

Each year, the board must elect from among the members a chairperson and any other officer it requires. The board must determine the time and place of its meetings and may adopt rules for the conduct of its meetings.

The Governor, the State Treasurer, and the State Comptroller must be notified of all meetings of the board and may sit with the board at any meetings. The Secretary of Budget and Management as well as the chairmen of the Senate Finance, Senate Budget and Taxation, House Ways and Means, and House Appropriations committees must be invited to sit with the board at any meetings of the board at which requests for appropriations are prepared.

A majority of the voting members constitutes a quorum for the transaction of business. No formal action may be taken by the board without the approval of a majority of the voting members of the board.

The Governor’s proposed fiscal 2020 budget includes $40.8 million in State funds to support the USM Office.

**State Expenditures:** The board and its subcommittees hold open meetings at USM institutions around the State. USM advises that the institutions that host the meetings will charge the board approximately $12,000 annually to use their equipment to live stream and archive the meetings; therefore, USM general fund expenditures increase by $12,000 annually beginning in fiscal 2020.

USM advises that costs increase by more than $20,000 annually beginning in fiscal 2020 related to the four additional regents; however, DLS advises that most, if not all, of those costs are likely absorbable in USM’s budget by readjusting expenditures. According to USM, based on current regent expenditures, costs to add four regents include $3,500-$6,000 for iPads (one-time-only), $300 for subscriptions, $1,900-$2,400 for hotels,
$600 for mailings, $9,000 for the Association of Governing Boards of Universities and Colleges National Conference on Trusteeship, $1,500 for additional food and beverages, and $7,100 in mileage reimbursements.

Finally, DLS can staff the workgroup with existing resources.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 719 (Senator Elfreth, et al.) - Education, Health, and Environmental Affairs.

**Information Source(s):** University System of Maryland; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2019

mag/rhh

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