

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1584 (Delegate Bromwell)(By Request)
Health and Government Operations

Open Meetings Act - Board of Regents of the University System of Maryland -
Closed Sessions

This bill authorizes the Board of Regents of the University System of Maryland (USM) to meet in closed session to discuss specified topics under specified conditions, including (1) the honorary or philanthropic naming of facilities, schools, programs, or other entities; (2) the revocation of such a naming; (3) a philanthropic gift or donation; (4) bestowing specified honors; (5) the establishment of a business or business entity by the board of regents under specified circumstances; (6) the investment in, financing of, or operation of a business or business entity established by the board of regents under specified circumstances; and (7) any research, analysis, proposal, or plan relating to the competitive position of USM or a part of USM, as specified, if the board of regents determines that discussing it in open session could adversely affect the competitive position with respect to other education service providers.

Fiscal Summary

State Effect: Permitting the Board of Regents of USM to meet in closed session to discuss specified topics may increase or decrease USM revenues; however, any such increase or decrease cannot be reliably determined.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: Under Maryland’s Open Meetings Act, with limited exceptions, a “public body” must (1) provide adequate notice of the time and location of meetings and (2) meet in open session in a location that is reasonably accessible to attendees. A public body is any entity that (1) consists of at least two individuals and (2) is created by the Maryland Constitution; a State statute; a county or municipal charter; a memorandum of understanding or a master agreement to which a majority of the county boards of education and the Maryland State Department of Education are signatories; an ordinance; a rule, resolution, or bylaw; or an executive order of the Governor or of the chief executive authority of a political subdivision. Exclusions from the definition of “public body” include juries, the Governor’s cabinet and Executive Council, judicial nominating commissions, and single-member entities, among others.

Generally, a public body may meet in closed session or adjourn an open session to a closed session only to discuss 14 specified topics, including personnel matters, legal advice/litigation, and a proposal for a business to locate, expand or remain in the State.

University System of Maryland Facilities and Academic Program Naming Policy

According to policy, for constituent institutions of USM, the building naming authority and the authority and responsibility to remove a name lies with the Board of Regents of USM. The policy states that it wishes to encourage opportunities for significant philanthropy to its member institutions through the naming of major facilities and academic programs, but any such naming must undergo a high level of consideration and due diligence to ensure that the name comports with the purpose and mission of USM and its institutions.

Requests made to the Board of Regents of USM to name a new facility or renovated existing facility must comply with the guidelines. The proposed gift should contribute significantly to the realization or completion of a facility or the enhancement of a facility’s usefulness to the university. The [policy](#), further detailing the requirements of the facilities and academic program, can be found on the Board of Regents of USM’s website.

University System of Maryland Honorary Degrees Policy

According to [policy](#), constituent institutions of USM are authorized to grant honorary degrees with approval of the Board of Regents of USM. Another part of the [policy](#) advises that care should be taken to ensure strict confidentiality at all stages of the honorary degree process.

High Impact Economic Development Activities and the University System of Maryland

To promote the economic interests of the State, USM must utilize its powers as a public corporation to undertake high impact economic development activities that support: job creation and workforce development; technology transfer, commercialization, and entrepreneurship; and increased sponsored research funding and other revenues.

Business Entities and the University of Maryland

Consistent with applicable law, the Board of Regents of USM may establish, invest in, finance, and operate businesses or business entities when the board finds that doing so would further one or more goals of USM and is related to the mission of USM. Likewise, an institution may establish, invest in, finance, or operate a corporation foundation, consortium, or other entity that is intended to support a high impact economic development activity.

State Fiscal Effect: Permitting the Board of Regents of USM to meet in closed session to discuss specified topics may increase or decrease USM revenues; however, any such increase or decrease cannot be reliably determined. USM revenues may increase or decrease due to more open discussion (in closed session) of philanthropic gifts or donations since such discussion may allow board members to discuss methods to receive more money from donors or conditions related to donations which may lead to declining some donations. Revenues for USM business entities may increase due to allowing closed session discussion of competitive position information regarding these business entities. The actual fiscal impact will depend on the actual matters that are discussed in closed session.

Small Business Effect: Permitting confidential discussion of specified topics may have a meaningful impact on a small business in competition with a USM-established business or that would benefit from the activities of a USM-established business.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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