

**Department of Legislative Services**  
 Maryland General Assembly  
 2019 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

Senate Bill 719

(Senator Elfreth, *et al.*)

Education, Health, and Environmental Affairs

Appropriations

**University System of Maryland - Board of Regents - Transparency and Oversight**

This bill expands the membership of the Board of Regents of the University System of Maryland (USM) to include four additional members and 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; and (3) include all motions and vote tallies from open and closed sessions in publicly available board meeting minutes. The bill also expands the responsibilities and reporting requirements of the board. Finally, until July 1, 2021, the board is required to notify the Governor, Senate President, and House Speaker at least 30 days before specified financial agreements for the Chancellor go into effect. **The bill takes effect July 1, 2019; the provisions related to the Chancellor’s compensation terminate June 30, 2021.**

**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.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	12,000	12,000	12,000	12,000	12,000
Net Effect	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)

*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-Composition*

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 at least (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, and before the eightieth 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. A chairperson who has been confirmed by the Senate is not subject again to the advice and consent of the Senate during the period of continuous service as chairperson.

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.

#### *Board of Regents-Training*

The board must provide each member appointed to the board, at the time of appointment, and at reasonable intervals, with education and training on the board's governance policies, fiduciary responsibilities, legal obligations, oversight of personnel policies, oversight of constituent institutions, and other responsibilities.

#### *Search Committee*

The board must approve the membership of any search committee convened to recommend a qualified person as president of a constituent institution.

### *Financial Disclosures and Agreements*

The board must review the annual financial disclosure statements filed by the Chancellor and the presidents of each constituent institution.

Until July 1, 2021, the board must notify the Governor, the President of the Senate, and the Speaker of the House at least 30 days before a contractual salary increase, negotiated severance package, or any other financial bonus for the Chancellor goes into effect.

**Current Law/Background:** The governance 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 fiscal 2020 budget includes \$40.8 million in State funds to support USM Office.

### *Open Meetings Act, Generally*

Under Maryland's Open Meetings Act, with limited exceptions, a "public body" must (1) provide reasonable advance notice of the time and location of meetings, including whether any portion of the meeting will be in closed session 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.

### *Minutes*

As soon as practicable after each open session, a public body must prepare minutes of the meeting. The minutes must reflect each item that the public body considered, the action it took on each item, and each vote that was recorded. If meeting in closed session, the minutes for a public body’s next open session must include a summary that includes specified information about the proceedings of the closed meeting. Minutes of each meeting must be made available to the public during normal business hours and must be retained by the public body for at least five years.

A public body subject to the Open Meetings Act does not need to prepare written minutes of an open session if (1) live and archived video or audio streaming of the open session is available or (2) if individual public votes on legislation taken by members of the public body are posted promptly on the Internet.

### *Closed Sessions*

A public body may not meet in closed session unless at least one member of the body has been designated to receive training on the requirements of the Open Meetings Law. If at least one such individual cannot be present at an open meeting of the public body, the body must complete a specified compliance checklist developed by the Office of the Attorney General and include the checklist in the meeting minutes.

### *Financial Disclosure Statements*

Except as otherwise specified, each official and candidate for office as a State official must annually file a financial disclosure statement as specified. The financial disclosure statements must include specified information including interests in real property, corporations and partnerships, and business entities doing business with the State as well as any gifts received in the calendar year.

**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, the Department of Legislative Services 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, any costs for training board members are also likely absorbable in USM's budget.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 533 (Delegate B. Barnes, *et al.*) - Appropriations.

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

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Analysis by: Caroline L. Boice

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510