

Public Session Minutes

The Morgan State University Board of Regents Retreat was called to order by Chairman Kweisi Mfume at 8:50 a.m.

Present: Hon. Kweisi Mfume, Chairman, Regent; General (Ret.) Larry Ellis, Vice Chair, Regent; Hon. Tracey Parker-Warren, Secretary, Regent; Rev. Dr. Harold Carter Jr., Regent; Dr. Shirley Malcom, Regent; Mr. Wayne Resnick, Regent; Mr. Jeffon Stubbs, Student Regent; Dr. Marquis Walker, Regent; Mr. Winston Wilkinson, Regent

Absent: Hon. Elijah Cummings, Regent; Dr. Linda Gilliam, Regent; Ms. Shelonda Stokes, Regent; Mrs. Penelope Taylor, Regent

Staff: Dr. David Wilson, President; Mr. Thomas Faulk, Principal Counsel for Morgan State University, Office of the Attorney General; Ms. Julie Goodwin, General Counsel; Mrs. Kassandra Grogan, Executive Administrator; Dr. Don-Terry Veal, Chief of Staff

Guests: Dr. Merrill Schwartz, Senior VP for Content Strategy and Development, Association of Governing Boards (AGB); Mr. Michael Lord, Esq, Executive Director, Maryland State Ethics Commission

Welcome and Opening Remarks

Chairman Mfume opened the meeting by welcoming the Regents and staff members in attendance. He noted that the annual Board Retreat is usually held in June but had been postponed to the fall, and thanked everyone for their participation. Chairman Mfume stated that Regent Taylor would not be attending because today is her birthday. He added that Dr. Wilson and Ms. Goodwin are expected to arrive shortly.

Before moving to the first agenda item, Chairman Mfume asked attendees to introduce themselves. He then introduced the first guest speaker, Dr. Merrill Schwartz. She is senior vice president for AGB Content Strategy and Development. In this role, she contributes to AGB's thought leadership through the development of actionable, easy-to-consume resources that deliver practical insights to board members. Dr. Schwartz previously served as the senior vice president for AGB Consulting and managed a consulting practice of governance experts serving AGB member colleges, universities, systems, and foundations. She also served as the director of research for AGB and was responsible for conducting research on and writing about trusteeship, governance, and the academic presidency. The Chairman stated that we are happy to have Dr. Schwartz here with us today and yielded the floor to her.

Good Board Governance

Dr. Schwartz shared a little about her background in academia and her role at AGB. She gave a presentation on Good Board Governance and spoke about what it means to be a fiduciary, the anatomy of good board governance, the heart of board work (committees) and the hallmarks of highly effective boards. There was a brief discussion about the role of an audit committee, the purpose of a governance committee and risk-related issues in higher education.

Dr. Wilson commented that he was surprised to learn that there was no audit committee in place when he arrived as president in July 2010. Regent Malcom noted that the institution is in a better place since the audit committee was formed in August of 2011.

Chairman Mfume noted that Regent Taylor had dovetailed the thought of creating another standing committee on governance as part of her work on the reassessment of the Board bylaws. She believes that those things, if left to be done by the full Board, would not get done in the same way that they would with a regular governance committee. Both Mr. Faulk and Ms. Goodwin, at her request, conducted research and compiled a number of materials, supporting documents, and best practices from colleges and universities, which were turned over to her. The Chairman added that, in her absence, he would share this particular slide with her.

Dr. Schwartz commented that the governance committee could take the form of a task force or an ad hoc committee, but it is usually created as a standing committee. She concluded by mentioning a few upcoming events of interest to the Board to include the National Conference on Trusteeship to be held in April 2020 in Washington, DC.

Dr. Wilson commented that this has been a terrific discussion. He added that the proposed governance committee would certainly serve to provide ongoing orientation to Board members who are not coming from higher education.

Chairman Mfume thanked Dr. Schwartz for assisting the Board this morning. He also requested more information about the April conference so that he can make it available to members of the Board who would like to participate, including himself.

Maryland's Public Ethics Law

Chairman Mfume welcomed Mr. Michael Lord who is the Executive Director of the Maryland State Ethics Commission, where he has served since 2011. Mr. Lord is a graduate of the U.S. Naval Academy and the University of Virginia School of Law, and has spent 20 years in his military career before retiring. Since that time, he has held a number of positions in the public sector. The Chairman noted that he thought it was important to have Mr. Lord come speak to the Board, and we are happy to have him here with us today.

Mr. Lord stated that he is excited to be here and thanked the Chairman for extending an invitation. He gave a presentation on Maryland's Public Ethics Law. He noted that the public ethics law applies to approximately 80,000 state employees. The purpose of the law, established in 1979, is to help board members and employees avoid improper influence and the appearance of improper influence; assures citizens of the impartiality and independent judgment of board members and employees; and requires board members and employees to disclose financial affairs and to meet minimum standards of ethical conduct.

Mr. Lord spoke about conflicts of interest, employment/financial interest, exceptions, restrictions, and financial disclosure. There was an interactive discussion related to different hypothetical scenarios, gifts and prestige of office. He noted that advice provided by the Commission is confidential and indicated that there are over 500 published opinions that can be found on the Commission's website.

Chairman Mfume thanked Mr. Lord for sharing insight and his expertise on this very important manner, in light of what has happened in the news over the last six months that has spun out of the former mayor's inquiry, to ensure that Regents avoid the appearance of improper and unethical conduct as Board members.

The Chairman announced that the Board of Regents would now prepare to reconvene in Closed Session to consider items specifically exempted from public consideration under § 3-305(b)(1)(3)(4)(7)(14) of the Open Meetings Act. In Closed Session, the Board of Regents will consult

with counsel to discuss an employee matter and the President's evaluation, and receive an update on the School of Osteopathic Medicine. The Board may reconvene in Public Session at the conclusion of the Closed Session, if necessary.

After reading the closed session citation into the record, the Chairman called for a motion to adjourn the PUBLIC SESSION to move into CLOSED SESSION. It was MOVED by Regent Malcom and SECONDED by Regent Parker-Warren to adjourn the PUBLIC SESSION. The MOTION CARRIED UNANIMOUSLY.

The PUBLIC SESSION adjourned at 1:14 p.m.

The Board of Regents reconvened in Public Session at 3:45 p.m.

Add'l Staff: Mr. Sidney Evans, VP for Finance and Management; Ms. Kim McCalla, Associate VP for Facilities, Design and Construction Management; Dr. Lesia Young, Provost and SVP for Academic Affairs

Chairman Mfume welcomed a member of the university student body who joined the meeting. He asked Regent Stubbs to formally acknowledge her. Regent Stubbs stated that McCall Brown is a sophomore, fellow resident assistant and recent inductee into the President's leadership circle. He added that during his tenure as student regent, he plans to invite more students to attend the quarterly Board meetings so that they have an opportunity to be exposed to enriching environments as much as possible.

State of the University

Dr. Wilson provided an update on the University since June 2018. He indicated that several new individuals have been appointed to senior leadership positions to include: Dr. Lesia Young, Provost and Senior Vice President for Academic Affairs; Ms. Donna Howard, Vice President for Institutional Advancement; Dr. Glenda Prime, Dean of the School of Education and Urban Studies; Dr. Patricia Lessane, Associate Vice President for Academic Affairs; and Dr. Uttam Gaulee, University Council Chair. The University has had a retention rate above 70% for eight straight years. The six-year graduation rate for 2019 is 43%, the highest rate on record for the institution is 43.4%. Total enrollment for Morgan has increased by 14% over the last 10 years while enrollment at the state's other HBCUs experienced a combined decline of 7%. The number of baccalaureate degrees awarded is up as well as total new undergraduate enrollment. He highlighted security improvements at off campus housing facilities to include: installing fencing around all university-leased units and a MSU police-monitored video surveillance system and access card swipe at Marble Hall Gardens; an added asphalt walkway from Hillen Road to Morgan View Apartments; improved lighting at the back gate of Morgan View and increased 24/7 foot and vehicle patrol on Arlington Avenue; an increased number of contracted public safety security with officers placed at the Varsity, on all courts at Marble Hall Gardens, and at the Alumni House. Dr. Wilson commented that the administration is considering the installation of a new security fence (the Morgan wall) from the corner of Argonne all the way back to the residential facilities, similar to the fencing along Hillen Road between the Communications Building and Engineering. The proposed new fencing would also be constructed on the West Campus.

Before concluding his presentation, Dr. Wilson briefly mentioned the record number of students studying abroad, the R2 status achieved in December 2018; the total annual economic impact of Morgan to the state of Maryland of nearly \$1 billion, the major new grants from NIH totaling \$35 million, the continued success of our students interning all across the nation, the record number of doctorates awarded at spring commencement (71), the ongoing progress of Tyler Hall scheduled to open on time and under budget, the replacement of the track and field at Hughes Stadium, the replacement of roofs at Harper Tubman and Cummings Hall, approved capital funding totaling

\$42M for FY 2020, a growing operating budget increasing to \$102.4 million in 2019 from \$73.9 million in 2010 as well as an increase in major gifts of \$13.7 million.

Chairman Mfume noted that the presentation is a major report that was very well put together. He commended Dr. Wilson on the innovative thinking of moving toward an enclosed campus concept, and requested that he share this information at the November meeting for the benefit of Board members not in attendance at the retreat. He added that the presentation should be separate from the President's Report and should also include a status update on the 10-year strategic plan.

University Financial Status

Before yielding the floor to Dr. Wilson, the Chairman noted the Board's concern regarding an email sent by Dr. Wilson on September 9th to the campus about FY '20 budget challenges. He noted that President Wilson made no mention of institutional budgetary issues during the last Executive Committee meeting on August 1st or during the subsequent Board meeting on August 6th to the Finance Committee or the full Board. Chairman Mfume stated that the intent is not to manage the allocation of resources; however, he emphasized the Board's fiduciary responsibility and added that the Board should have been made aware of this matter in a formal session prior to it being communicated to the campus community.

Dr. Wilson stated that this is an effective management tool that college presidents and chancellors use early in a fiscal year when you can control the way dollars are going to be allocated for the rest of the year. Given that we are only a month and a half into the new fiscal year, if you did not communicate on something like a burning platform then people would simply not pay any attention. He added that if we do not invest in security in the way that has been outlined, we could look up and see a decline in enrollment of about 10%.

Mr. Evans stated that the institution is financially solid and our financial position has strengthened dramatically over the last five years. We expect to receive the FY 2019 audit at the November Board meeting. He provided a brief overview on the University's FY 2020 operating budget totaling \$270 million, which is comprised of three major components: state support (unrestricted) - \$177.6M, auxiliary enterprise - \$37.8M, and grants and contracts (restricted) - \$54.6M. The revenue drivers are tuition and fees - \$70.5M, state appropriation - \$100.1M, and other (patents/trademarks, endowment/interest income, sales, and other ancillary income) - \$7.0M.

There was a brief discussion about tuition and fees, particularly the relatively high athletic fee. Dr. Wilson noted that there has been no recommendation to increase the athletic fee for the last eight years, but a slight increase may be recommended for the upcoming fiscal year. Chairman Mfume commended the administration for holding the athletic fee steady; however, he stated that he would have a hard time voting for any proposed increase. The Chairman suggested the possibility of using a portion of the \$13.7M raised through major gifts to offset some of the athletic expenses.

Regent Malcom agreed and questioned why we could not consider other strategies that other institutions considered in terms of raising more money to be able to put into athletics as opposed to instantly looking to fees which would undoubtedly cause hardships for our current student body, many of whom struggle to pay the cost of a college education. She noted that she would like to see a more holistic and comprehensive look at expenses versus the needs to ensure that the opportunity side has actually been fully exhausted. Dr. Wilson indicated that he will work with Dr. Scott to provide the requested information.

Mr. Evans stated that the University is challenged every year with funding new initiatives. We have several unexpected expenses this fiscal year to include: safety and security of the campus community, maintenance and plant emergencies, accreditation, equipment requirements, and OLA correction actions and compliance, which is estimated to cost \$5.1M. He noted that this is what led to President Wilson's email to the campus.

Dr. Wilson indicated that he takes full responsibility for not briefing the Board first. With regard to the campus-wide memo, since we do not know what the final enrollment will be until October 15th, we had to make an assumption that there would not be an increase in enrollment. Therefore, if we do not see an increase in enrollment, as a result of the loss of life of the student outside of Morgan View, we have to look at what additional resources we must set aside for security. Thus, we had to take immediate precautionary measures until we know how things will look on October 15th and that was the purpose of the email.

Mr. Evans assured the Board that we do have budget goals and a financial strategy, and we are working with AGB to develop and implement a new business model.

Chairman Mfume commended Dr. Wilson and Mr. Evans for the good work, which is evident by the reaffirmed credit ratings by both S&P and Moody's.

Regents Resnick and Ellis departed at 4:59 p.m.

Food Service RFP

Mr. Evans reported that the legal team, procurement and finance staff had a very productive meeting to work through all the issues. The parties agreed on a pathway forward, and legal provided additional feedback to procurement. The draft is back with procurement to make the changes and it will be sent back to legal sometime next week. Subsequent to that, when we have reached total agreement, we will share it with the Finance and Facilities Committee. He added that the goal is to get this out by the November Board meeting.

Chairman Mfume offered a word of caution about the use of consultants. He commented that they may be causing us to spend additional time, money and resources and noted that, in several instances, they have set us back instead of moving us forward.

Student Housing

Mr. Evans reminded the Board that a letter of intent was signed with MEDCO. We have selected an architect to design the building – Hord Coplan Macht in association with Moody Nolan, a renowned MBE firm. There will be a kickoff meeting on October 3rd. There are two committees: an executive committee and a working committee, consisting of students, faculty, administrators, and auxiliary. The plan is to work on visioning, programming, concept, design and construction. Next steps include: procure student housing consultant, general contractor and construction team; develop finance pro forma; and, identify a financing partner. He noted that the project is on schedule for occupancy in August 2022.

Dr. Wilson stated that he wanted to give Mr. Evans, Ms. McCalla, legal and the team that they have put together at the university lots of accolades for coming together and moving this forward expeditiously. He noted that the progress we have made since the August Board meeting has been nothing short of phenomenal.

Chairman Mfume requested that Ms. McCalla provide periodic updates to the Board with regard to minority participation.

Regent Parker-Warren departed at 5:02 p.m.

Northwood Project

Mr. Evans stated that closing is anticipated on financing within the next 60 days – \$20M in new market tax credit financing with U.S. Bank and first mortgage lender Fulton/Columbia Bank – all arranged by Harbor Bank. The demo permit is almost in hand and we expect to begin knocking down buildings in November. He noted that the developer is nearing the end of negotiations with a grocery store that would be built on the site, and they are still working with McDonalds on their new location. Mr. Evans added that there is a meeting with the community today.

Chairman Mfume asked Dr. Wilson and Mr. Evans to express the Board's appreciation to Mr. Haskins, Harbor Bank President, for the way they have stepped in and helped to make this possible.

Closing Discussion

Regent Malcom noted that although we began a lot of these discussions a long time ago (Northwood and the food service RFP), she hopes that people do not lose faith because it takes a while to get things right. We all need to be willing to go a little longer. She commended the staff for staying the course and moving things along.

Dr. Wilson requested the Board's advice as to how he should appropriately prepare the Board for our thinking about a location outside of the United States. Chairman Mfume recommended that Dr. Wilson flush the matter out with the Executive Committee first so that they can, on behalf of the Board, help to fine-tune things so that it comes to the full Board in a more presentable way.

Mr. Evans commended Ms. McCalla for her patience and diligence in leading the many projects in progress.

There were concerns expressed with regard to the rankings published by U.S. News & World Report and the need to challenge this misleading information. Dr. Wilson commented that he is considering whether to write an editorial piece in the Washington Post.

Chairman Mfume stated that the Board would entertain a motion to adjourn the meeting. It was **MOVED** by Regent Walker and **SECONDED** by Regents Wilkinson and Malcom to adjourn. The **MOTION CARRIED** unanimously.

The Public Session adjourned at 5:19 p.m.

**MORGAN STATE UNIVERSITY
CITATION OF AUTHORITY FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
BOARD OF REGENTS RETREAT**

Date: Saturday, September 28, 2019 Time: 8:30 a.m. Location: Baltimore Marriott Waterfront
700 Aliceanna Street
Baltimore, MD 21202
Essex Meeting Room

Motion to close meeting made by: Regent Malcom

Seconded by: Regent Parker-Warren

Members voting in favor: All Regents in attendance

Opposed:

Abstaining:

Absent: Regents Cummings, Gilliam, Stokes and Taylor

THE STATUTORY AUTHORITY TO CLOSE THIS MEETING CAN BE FOUND AT (check all that apply):

General Provisions Article, § 3-305 (b)(1)(3)(4)(7)(14):

(1) (i) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals;

(2) To protect the privacy or reputation of individuals concerning a matter 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 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;
- ____ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to 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 negotiating 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.

General Provisions Article, § 3-103 (a):

- ____ (1) To carry out an administrative function;
- ____ (2) To carry out a judicial function;
- ____ (3) To carry out a quasi-judicial function.

FOR EACH CITATION CHECKED ABOVE, THE REASONS FOR CLOSING AND TOPICS TO BE DISCUSSED:

1. To discuss an employee matter.
2. To discuss the President's evaluation.
3. To receive an update on the School of Osteopathic Medicine.

THE BOARD MAY RECONVENE IN PUBLIC SESSION AT THE CONCLUSION OF THE CLOSED SESSION IF NECESSARY TO TAKE ANY FINAL AND BINDING ACTION.

This statement is made by Kweisi Mfume
Chairman of the Board of Regents

SIGNATURE:



***** FOR USE IN MINUTES OF NEXT REGULAR MEETING: *****

TOPICS DISCUSSED AND ACTION(S) TAKEN (IF ANY):