

Public Session Minutes

The meeting of the Morgan State University Board of Regents was called to order by Chairman Kweisi Mfume at 12:29 p.m.

Present: Hon. Kweisi Mfume, Chairman, Regent; General (Ret.) Larry Ellis, Vice Chair, Regent; Hon. Tracey Parker-Warren, Secretary, Regent; Mr. Martin Adu-Boahene, Regent; Dr. Harold Carter, Regent; Dr. Linda Gilliam, Regent; Dr. Burney Hollis, Regent; Ms. Emily Hunter, Regent; Dr. Shirley Malcom, Regent; Mr. Wayne Resnick, Regent; Mr. William Sherman, Regent; Ms. Shelonda Stokes, Regent; Mr. Carl Turnipseed, Regent; Mr. Winston Wilkinson, Regent; Dr. David Wilson, University President; Mr. Thomas Faulk, Principal Counsel for Morgan State University, Office of the Attorney General

Minutes

The Chairman opened the floor for a motion to adopt the minutes from the October 3, 2022 Special Meeting of the Board. It was MOVED by Regent Resnick and SECONDED by Regent Turnipseed. The MOTION CARRIED unanimously.

Chairman's Remarks

The Chairman opened the meeting by welcoming the Regents, university administration, and members of the public in attendance. The Chairman offered an overview of the agenda and stated that following the Public Session, the Board would convene in Closed Session to address the matters identified as such on the agenda.

Chairman Mfume stated that he would like for the Board to be 100% compliant with respect to giving. He encouraged members of the Board to make a donation to the University. We take pride in having a 100% giving record among our Board of Regents. He also appointed Regent Sherman to the Morgan State University Foundation Board as the direct designee of this Board.

The Chairman thanked Regents for taking part in several recent events since the last Board meeting to include: the Matriculation Convocation, the Special Board Meeting, the 38th Annual Homecoming Gala and Homecoming Game. He stated that the 2022 Founders Day Convocation will be held on December 1st and Winter Commencement will take place on December 16th. He noted that he asked Dr. Wilson to provide brief updates as part of his President's Report on the following areas: Homecoming (lessons learned and plans for 2023); the Lake Clifton acquisition; Morgan's PEARL (its importance to the state and the industry); alumni giving; Name, Image and Likeness (NIL); and Morgan's R1 progression. He then yielded the floor to Dr. Wilson to share his report.

Report of the President

Dr. Wilson provided a report to the Board covering some major developments that occurred at the University since the last meeting in August 2022. Those highlights include: (a) Founders Day Convocation – scheduled for December 1st with Dr. Shaun Harper, Director of the Center for Race and Equity at the University of Southern California, as the keynote speaker; (b) Winter Commencement – scheduled for December 16th where two honorary doctorates will be conferred; (c) campus policing; (d) Homecoming 2022 – what we learned and workgroup recommendations; (e) retention and graduation rates; (f) student housing demand and progress; (g) non-cognitive assessment tool; (h) assessment of campus security; (i) increase in research awards; (j) the PEARL; (k) construction activities; (l) Northwood Commons; (m) Morgan's strong cash position; and (n) development.

Regent Stokes commended Dr. Wilson, the staff and the Board of Regents. She stated that serving on this Board is an honor. Since graduating from Morgan, it is just unbelievable to see how far we have come. There is a lot that we talk about. We always feel like we are overachievers and that we can do more and better. However, she stated that we should celebrate all of these accomplishments. Listening to these reports, it is so amazing. We are transcending and it is the leadership of Dr. Wilson. She extended thanks to everyone, adding that it feels very good to be part of the Board.

Regent Malcom commented that while President Wilson told us about the things that are happening on the campus, one of the things that he did not tell us about is the kind of representational efforts that he makes beyond the campus, which means that there is an opportunity to tell the campus story in other kinds of places that are really important to us. For example, the various boards that he serves on (the National Science Foundation, NCAA, etc) or within other entities. There is a very poor understanding of HBCUs in general and obviously Morgan in particular. There is a very poor understanding about what the needs are and how policies that are put in place elsewhere actually impact not only us, but HBCUs writ large. And so that is an element that we do not necessarily hear about, but it is an important element to be an ambassador for this institution in those other places.

The Chairman opened the floor for a motion to adopt the President's Report. It was **MOVED** by Regent Gilliam and **SECONDED** by Regent Turnipseed. The **MOTION CARRIED** unanimously.

Report of the Executive Committee

The Chairman provided an update from the October 28, 2022 Executive Committee meeting. He stated that the meeting was informational in nature and there were no items for action.

Report of the Standing Committees

Academic and Student Affairs Committee

Regent Gilliam stated that there is one item for action – approval of a substantial modification of an existing academic program, which is re-titled B.S. in Family and Consumer Sciences with a concentration in education, adding a teaching component.

- **B.S. in Family and Consumer Sciences (FACS)** – Dr. Yu stated that in the state of Maryland, there is a lack of teachers in FACS, formerly Home Economics. As result, Morgan decided to offer a concentration within the degree to help students get the training needed to obtain their license to teach in middle and high school. It was noted that this will be the only one in the state of Maryland.

Chairman Mfume opened the floor for a motion to approve the substantial modification of an existing academic program – B.S. in Family and Consumer Sciences with a concentration in education. It was **MOVED** by Regent Sherman and **SECONDED** by Regent Turnipseed. The **MOTION CARRIED** unanimously.

Regent Gilliam highlighted a few informational items. There were two accreditations – (1) the nursing program accreditation (currently underway) and (2) accreditation of our landscape architecture program, which has been granted for the next six years. She extended congratulations to all involved. With regard to athletics, there was an NCAA academic unit report. We are receiving federal funds due to a higher percentage of athletes graduating. There are also plans to improve the student-athlete experience – concentrating on sports medicine, academic support, and strength and conditioning. There was a healthy discussion about name, image and likeness (NIL), which Chairman Mfume requested an update on. She yielded the floor to Dr. Wilson to introduce our AD to the full Board.

Dr. Wilson officially introduced our AD and Vice President for Athletics, Ms. Dena Freeman-Patton. She is a native Baltimorean, who attended Lake Clifton High school and was a standout student-athlete. She played basketball in addition to being a model student academically. She went on to Liberty University and played there throughout her college years. We were able to attract her from California State University, Dominguez Hills, where she was associate vice president and director of Athletics. He turned it over to Ms. Freeman-Patton to provide an update to the Board on NIL, particularly the Maryland bill, and how it is impacting what we do here on campus.

Ms. Freeman-Patton provided an overview on the State of Maryland NIL Bill 439 – the Jordan McNair Safe and Fair Play Act. The bill is essentially a combination of making sure that we are taking care of our student-athletes' health and safety, but also including their rights, their opportunities, and in particular NIL. She highlighted what students are now allowed to do in this space as well as restrictions for both institutions and students.

Regent Stokes asked if we would consider paying our athletes to do things internally. Ms. Freeman-Patton responded that we could do that anyway as an employee. This was even before NIL, we were able to do that. We can hire them to work at other events. We can hire them as interns and things like that where they can get paid.

The Chairman stated that it is great to have Ms. Freeman-Patton here with us. He welcomed her back home and to the Morgan family.

Regent Gilliam stated that the Academic and Student Affairs Committee received a housing report from Dr. Banks. He indicated that approximately 250 spaces would be recommended for hotels in the spring of 2023. He also discussed the introduction of online therapy, which was implemented in September and students are gravitating towards it. There was also a presentation on Esports.

Regent Gilliam concluded her report by summarizing the SGA update presented by President Jaden Dawson. Ms. Dawson spoke about a proposed GPA increase for officers from 2.5 to 2.75. She also discussed the initiatives under the Get Back Administration, which centered around six objectives – wellness, outreach, awareness and accessibility, retention, safety, and campus engagement and tradition.

Finance and Facilities Committee

Regent Malcom stated that Finance and Facilities Committee received presentations from Facilities, Research and Economic Development, Institutional Advancement, and Enrollment Management. The President included a number of issues and elements in his presentations. She highlighted a couple of things that we need to keep our eyes on. We see a lot of the new construction, the prospective new buildings that are coming down the line, and those are really to be celebrated. She pointed out that we do not talk as much about deferred maintenance. Deferred maintenance is what keeps your reputation intact, it keeps your buildings standing up, and it is really what keeps us in the kind of condition that we need in order to build trust with the community and the state.

- **Approval of New HBCU Loan** – The administration has come to the Board before to seek the opportunity to apply and now we are at a point where we want to be able to execute. The amount is up to \$65 million. This does not necessarily mean that we will use it all, but it is being directed in such a way as to be able to complete our housing plan and be able to make up the difference in some of the renovations and repair work that we have ongoing. The funds will be directed toward deferred maintenance, in terms of renovating our legacy buildings. She stated that the Committee voted favorably and recommends approval of the HBCU loan of up to \$65 million.

Regent Gilliam asked what is the term of the loan. Mr. Evans responded that the term is 35 years.

Regent Malcom stated that the Committee asked questions about the debt service and whether this was something the University could handle because we will be consolidating some of this. The amount is under \$6 million a year.

Regent Sherman inquired about the interest rate – is it fixed or variable. Mr. Evans responded that the interest rate will be fixed and is tied to the 10-year treasury rate. At the time of closing, whatever the 10-year treasury rate is plus about 20 basis points will be the fixed rate. However, since this is a cost reimbursement loan, if we do not draw down a portion of the loan until 24 months from now, then it would be at a fixed rate at the treasury at the time we draw it down. Since we are drawing money down over a course of a period, it becomes a blended rate but it is fixed. He added that it is the most efficient way to borrow money possible.

Chairman Mfume noted that it is really fixed and variable based on the terms and the time. Mr. Evans stated that this was correct.

The Chairman opened the floor for a motion to approve the new HBCU Loan. It was **MOVED** by Regent Turnipseed and **SECONDED** by Regent Parker-Warren. The **MOTION CARRIED** unanimously.

Regent Malcom stated that there are two other action items, but we need to take them up in closed session. One relates to a policy around our deferred maintenance fund, and the other is a naming opportunity. The Committee had a brief discussion on yesterday and realized that we really needed to have some kind of input from legal. She requested that the revised policy be considered by the full Board as a whole. The request was granted. The Chairman indicated that both items will be rolled over into the closed session.

Regent Malcom reported that the Committee received information from the President with regard to a draft charge that had been put forward for a Commission on IT that would begin to provide the kind of information that we need related to a status report. We cannot have any kind of consideration of the type of investment we might have to make because we do not know where we are. We heard information about the proposed commission and what it would be asked to look at, which would be much more comprehensive beyond the kind of processes

that we need around the infrastructure of the management and operations. Since we are dealing with IT, it would actually touch on the entirety of the aspects of the campus where IT has a footprint. The Committee looks forward to working with the President and to receiving a status report that will allow us to be able to figure out where we are and what recommendations that we need to make to the Board.

The Chairman stated that we will consider the Commission on the Current State of IT as an item for information and looks forward to the next report on this.

Regent Malcom stated that at the last meeting, the Chairman indicated that it was important to make sure that the full Board was aware of the University's fiscal health and the financials. She yielded the floor to Mr. Evans to provide a high-level overview. Mr. Evans highlighted (a) the University's financial position as of June 3, 2022 – cash position (\$141.2M), capital assets (\$548.2M), total assets (\$752.9M), current liabilities (\$48.1M), debt payable (\$38.1M), total liabilities (\$213.5M) and net asset position (\$539.4M); (b) statement of activities – total operating revenue (\$143.6M), total non-operating revenue (\$173.9M), total revenue (\$317.5M), total operating expenses (\$327.6M), depreciation and amortization (\$29.5M) and net operating increase (\$19.4M or 6%); (c) FY 2023 first quarter review; (d) strategic financial goals – (i) move up in a credit rating, (ii) bring our housing rates to a level comparable with peer institutions, (iii) increase tuition and fees in the future, (iv) manage inflation and operating costs, (v) keep our operating margin between three to five percent, and (vi) maximize Fund 41 (the budget put in place from the HBCU lawsuit); and (e) special projects – Maryland Clean Energy Center partnership with Siemens, Northwood Commons, and Lake Clifton (hope to secure closing date from the City by end of the year).

The Chairman asked Mr. Evans to talk about long-term liabilities in order to get a sense of whether net lease liability has gone up, down or has remained the same in comparison to the prior year. Mr. Evans stated that the number has gone up primarily because of the change in GASB 87 (leases). The leases were in our operating statements. We were paying for them, but now we have to treat them as debt. As we build new housing, those leases are going to roll off.

The Chairman inquired about net pension liability – is it up or down compared to the previous year. Mr. Evans responded that the number is down for a number of reasons and we want it down. He added we do not have a lot of control of that number, which fluctuates and is managed by the state.

Regent Adu-Boahene inquired about the evaluation criteria used to value Morgan's current assets based on current market environment with the recession being a huge concern. Mr. Evans responded that current assets are valued at cost as per generally accepted accounting guidelines so that we are not impacted by the volatility in the market. So as we bring on new buildings, we bring those new buildings on our balance sheet at cost. The older buildings are being depreciated.

Regent Turnipseed asked if there are any assets in our portfolio that have to be marked to market. Mr. Evans responded no. It was noted that the MSU Foundation does because they are carrying our endowment. The endowment has to be marked to market, which means valuing those assets at the current market rate.

Regent Malcom commented that this is a time of real uncertainty. We are trying to balance a lot of things – the need to invest and the need to build. We cannot get rid of the leases until we construct buildings. Fortunately, our arrangement with MEDCO means that MEDCO is carrying the debt. However, on the other hand, we need to keep in mind that whatever gets stood up, our students need to be able to afford to use. We are juggling a lot of things. We have not had a tuition or fee increase in three years. We want to have a deep dive on that issue at our next meeting because we do not want to have the conversation when we need to make the decision. We want to have a conversation about being able to balance all of these elements outside of the need to actually respond to budgetary matters at that moment.

Audit and Institutional Assessment Committee

Regent Ellis stated that there were no items for action. The Committee received the results of the financial statement audit from the external auditor, CliftonLarsonAllen (CLA). The University received a clean audit. In closed session, the Committee reviewed the legislative audit report and corrective action plan. There was a very fruitful discussion in terms of how we proceed to correct those findings in the OLA Report.

The Chairman commented that there were no material weaknesses identified, which is very significant and the best set of words to get from an auditor.

Maryland College of Osteopathic Medicine at Morgan Update

Dr. Wilson stated that the proposed Maryland College of Osteopathic Medicine (COM) at Morgan State University is moving along. Key highlights include: (a) public private partnership with MSU; (b) leadership team identified; (c) call to action – African American healthcare crisis; (d) opportunity – first new HBCU affiliated medical school in 40 years; (e) experienced management and leadership; (f) timeline – benchmarks and next steps; and (g) investment – new COM building on Morgan’s campus. As it stands now, they are projecting the first cohort to enroll in August of 2024 and graduate in 2028.

Dr. May commented that we received a federal earmark for \$2M to develop a one-year Master's program so that we can make sure that we have some Morgan students as part of that first cohort of new students. Dr. Yu added that he had several meetings with COM’s leadership (Dr. Lee and Dr. Sealey) along with the Dean of Sciences. They will develop a one-year Master’s program, and want to accept our students without the MCAT test but instead based on GPA.

Regent Gilliam asked if the proposed one-year program would be brought before the Academic and Student Affairs Committee. Dr. Yu responded that the proposed program is not yet ready, but hopefully it will be by February or May at the latest.

New Business

There were no new business items brought forward for the Board’s consideration.

Adjournment of the Public Session

Chairman Mfume announced that the Board of Regents would convene in Closed Session to consider items specifically exempted from public consideration under § 3-305(b)(1)(2)(7)(8) of the Open Meetings Act. In Closed Session, the Board of Regents will receive an Update from the Negotiations Committee; review the Legislative Audit Report and Remediation Plan; receive an EEO Report and a Litigatin Update; consider a Naming Opportunity and the Revised Policy on Facilities Renewal. The Board may reconvene in Public Session at the conclusion of the Closed Session, if necessary.

After reading the citation into the record, the Chairman opened the floor for a motion to adjourn the PUBLIC SESSION to move into CLOSED SESSION. It was MOVED by Regent Parker-Warren and SECONDED by Regent Turnipseed to adjourn the PUBLIC SESSION. The MOTION CARRIED unanimously.

The PUBLIC SESSION adjourned at 3:06 p.m.

Revised Policy on Facilities Renewal for Auxiliary and Non-Auxiliary Capital Assets (in Closed Session)

Chairman Mfume opened the floor for a motion to adopt the revised policy. It is was MOVED by Regent Turnipseed and SECONDED by Regent Hunter. The MOTION CARRIED unanimously.

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

Date: Tuesday, November 1, 2022

Time: 12:00 p.m.

Location: Richardson Library
Boardroom

Motion to close meeting made by: Regent Parker-Warren

Seconded by: Regent Turnipseed

Members voting in favor: All Regents in attendance

Opposed:

Abstaining:

Absent:

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

General Provisions Article, § 3-305 (b)(1)(2)(7)(8):

(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.

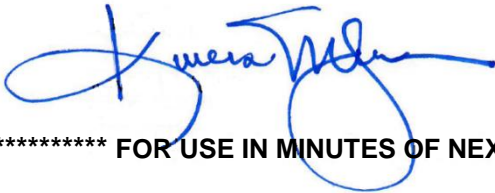
FOR EACH CITATION CHECKED ABOVE, THE REASONS FOR CLOSING AND TOPICS TO BE DISCUSSED:

1. To receive an update from the Negotiations Committee.
2. To review the Legislative Audit Report and Remediation Plan.
3. To receive an EEO Report.
4. To receive a Litigation Report.
5. To consider a Naming Opportunity.
6. To consider the Revised Policy on Facilities Renewal.

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):