VI-4.20 GUIDELINES REGARDING THE EFFECT OF DONOR FUNDING
AND OTHER EXTERNAL FUNDING ON THE PRIORITIZATION OF STATE-
FUNDED CAPITAL PROJECTS

(Approved by the Board of Regents, December 9, 2005)

Note: For the purposes of these guidelines, a "donation" or "gift" on behalf
of a project may include multiple non-State fund sources. The term "donor"
may refer to an individual or it may refer to an aggregate package of "non-
budgeted funds" (NBF) compiled by an institution for a particular project.

The Board of Regents of the University System of Maryland is charged with the
responsibility to determine the appropriate priority of proposed list of
capital projects requested by the University System or any of its constituent
institutions through the establishment of a ten-year Capital Program and
a five-year Capital Budget.

The Board seeks the means to (1) recognize the generosity of a donation to a
project and (2) encourage said donations by recommending to the Governor,
through the annual Capital Budgeting process, a change to the pre-established
project queue. In its deliberations, the Board should consider a number of
guidelines and conditions (discussed below).

A University System institution wishing to request a change in the Capital
queue for any project should submit a request to the Chancellor in advance
of, or as part of, the regular Capital Budget submission to the System. The
Chancellor will recommend to the Board of Regents those changes that might
be considered.

Scope of Current Policy and Practice

Under current policy and practice, the Regents have the authority to enact
changes in the capital project queue as part of the annual Capital Budget
process, though the practice has been (and should remain) one of maintaining
the continuity of the queue as far as practicable. Thus, these guidelines
are intended to clarify the circumstances surrounding exceptions that might
arise.

Generally, in making requests for exception, the institutions of the
University System of Maryland should comply with the following guidelines.
(Foundation-owned or System-Funded projects are excluded from the Board of
Regents' policy, though auxiliary projects must be approved through the SFCP
process.)

1. Only projects previously approved by the Board should be considered for
   acceleration. Ideally, no project should be moved within or added to the
   requested Five-Year project queue unless:

   a. It has first appeared in the Ten-Year CIP as approved
      by the Board of Regents, and
b. A Part 1 facilities program has been submitted for approval to the State Department of Budget & Management, per their policy.

2. The Regents may consider a request to accelerate a donor-assisted project within the existing Capital queue if one or more of the following conditions are met:

   a. The project replaces another project priority of similar size from the same institution already in the queue;
   b. Non-State funds are identified to supplement the donor funds to complete the total cost of the project;
   c. Supplemental funds are requested from the State via the CIP (with the understanding that appropriation of supplemental funds by the State is not guaranteed).

Consideration of System-wide Changes in the Queue

In exceptional cases, and if institutional justification for special consideration of a donor-funded project is deemed sufficient, the Regents also have the authority to shift priorities among institutions within the CIP Request to accommodate it.

A request to change System-wide Capital priorities to accommodate a gift to an institution associated with a particular capital project should normally receive consideration when the present value of the gift is an amount equal to or greater than 30% percent of the construction portion of the project or 25% of the total requested appropriation for the project (including design fees, contingencies and equipment). Given such level of giving, the State should be encouraged to step forward to match the gift with the balance of funding in a timely fashion.

Regardless of the merits of the project and the size of the gift, partial donor funding does not guarantee favorable consideration by the Board of Regents and should be evaluated on a case-by-case basis at the discretion of the Board. Likewise, it should be understood that there is no guarantee that the Governor will support a change in the State's CIP, though the practice has been to respect the priorities of the Regents.