

**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
REPORT SUMMARY**

Date of Meeting: October 15, 2021

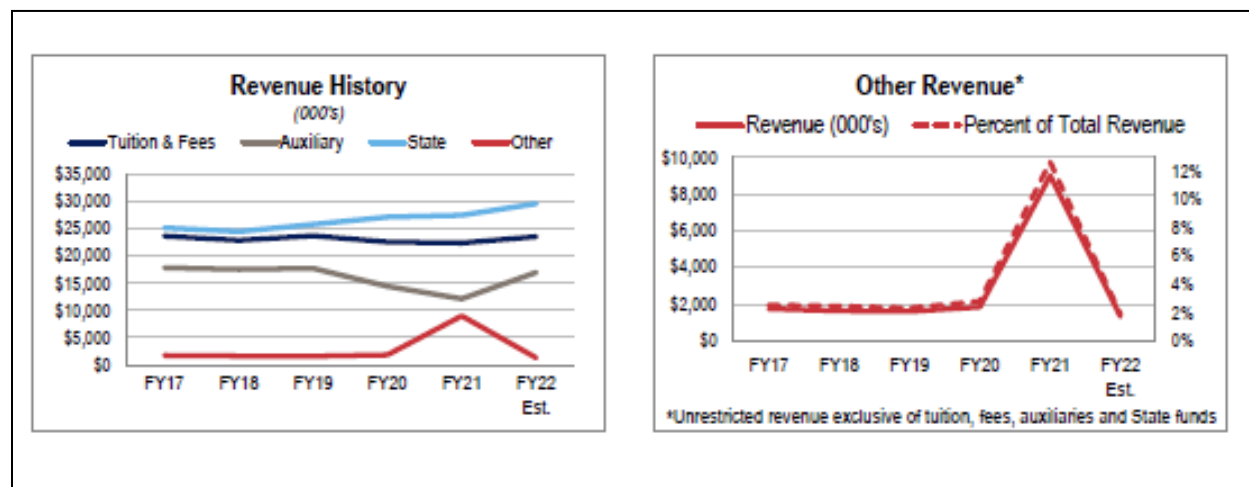
Date of Next Meeting: February 4, 2022

Committee Chair: John Wobensmith '93

Committee Members: Anirban Basu, John Bell '95, Board Chair Susan Dyer, Sven Holmes, President Tuajuanda Jordan, William Seale, Faculty Finance Delegate Shanen Sherrer, Ray Wernecke

Staff Member: Paul Pusecker

Dashboard Metrics



Executive Summary

Discussion Items

Moody's Credit Rating Upgrade

Moody's Investors Service, a leading global provider of credit ratings, research, and risk analysis, has raised the outlook on St. Mary's College of Maryland from negative to stable with an A2 rating. According to a Moody's press release announcing the credit rating, the College's "management credibility was a key driver of the revision of the outlook to stable, reflecting prudent fiscal management and actions to execute key strategic plans. The revision also reflects expectations that operating cash flow margins will return to levels achieved prior to the coronavirus pandemic with careful expense management and strong support from the state combined with federal relief funding." The Moody's press release further states that the College's A2 (stable) rating "reflects some stabilization of enrollment, despite the effects of the

coronavirus pandemic, and reflects the College's excellent operating environment with solid financial support by the State of Maryland and the College's unique role as Maryland's only stand-alone public honors college." The College is thrilled with this ratings upgrade, especially in these unprecedented pandemic times.

FY22 Financial Results to Date

Overall, revenue collections are 40% of the budgeted level, 11.6% higher than the equivalent period last year, with auxiliary enterprises and tuition recovering from last years depressed levels. State appropriations to our General Fund Grant are on track with first quarter expectations. Operating expenditures in FY22 are running 10.7% higher than last year. All areas of expenditures fall within expectations for current-to-prior year comparison, with the exception of scholarships, where expenses are slightly higher than the previous year. Debt service payments are approximately \$418K higher this year versus last year with the additional interest expense incurred on bonds issued in March of 2021.

FY21 Operating Budget Closing and Status of Financial Statement Audit

Actual operating fund results are a surplus of \$2.011M. Rollovers to FY22 total \$1.921M, for a fully funded, net change in financial position over two fiscal years of \$90.7K. The year-end operating result is approximately \$2M better than the expected \$94K loss.

FY21 preliminary and un-audited results are final at this time. On a cash basis, Current Fund Unrestricted (CFU) revenues of approximately \$71.057M were greater than expenditures and transfers, totaling \$69.046M, resulting in a difference of \$2.011M. The all-funds financial statement results on an accrual basis indicate a \$1.4M loss before State capital investment and a gain of \$28.8M overall. The change in accrual basis results is explained by depreciation expense and other non-cash changes.

FY21 closed on June 30, 2021. Review and adjustments for year-end activity are complete. The entrance interview with audit firm Clifton Larsen Allen, LLP (CLA) took place in June 2021. Field work took place the week of August 23, 2021 with an onsite visit and has continued with the auditors working remotely. We remain on schedule with the audit tasks and the audited statements will be presented to the Finance, Investment, and Audit Committee and to the Board of Trustees for review and approval in December 2021.

Overview of FY21 COVID-19 Financial Impact (Mitigation Expenses and Lost Revenue)

Overall, in FY21 the College realized a \$7.8M deficiency due to revenue losses and expenditures related to COVID-19 mitigation efforts. Specific financial impacts include a \$2.0M reduction by the State in our General Fund Grant, over \$3.5M in lost revenue, including tuition (-\$531K), room and board (-\$2.8M), and rental income loss from athletic events and conferences (-\$205K). In addition, we spent \$2.2M on COVID-19 mitigation efforts, of which the most significant were technology enhancements to support remote instruction, surveillance testing, contractual health services, and personal protection equipment (PPE).

Results of Federal and State of Maryland Financial Support for COVID-19 Pandemic (FY21)

To offset the FY21 revenue losses and expenses related to the pandemic, the College received \$9.3M in support from Federal and State sources. Specifically, the College received \$1.5M

from the State of Maryland via its portion of the allocation from the CARES Act, received \$1.12M directly from the Federal level as part of the Higher Education Emergency Relief Fund (HEERF-II), and, most importantly, the College's application for loan forgiveness of the \$6.6M Payroll Protection Program (PPP) loan was approved in June 2021. The net of revenue losses versus additional revenues demonstrated a positive \$1.479M outcome.

Strategic Investments from Bond Proceeds

At the May 7, 2021 Finance, Investment, and Audit Committee and the Board of Trustees meetings, the Trustees approved the primary categories of strategic expenditures from the private market bond and delegated authority to commit these resources to the President.

The Board approved the following strategic investment allocation categories: Retaining excellent faculty; student engagement / LEAD-focused programs; student retention programs; development of new LEAD-focused curricular and co-curricular programming; student recruitment programs; recruitment of new faculty and staff in LEAD areas; enhanced business efficiency; and provision of an operating budget contingency. The cost of issuing the bond was \$716K, leaving an available starting balance of \$19.283M. To date, \$3.168M has been encumbered with a balance remaining of \$16.115M.

Information Items

Reportable Procurement Items

A list of reportable procurement items is included within the meeting material.

Joint Investment Activities

As of August 31, 2021, the total market value of the St. Mary's College for Maryland Foundation's endowment is \$41M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$40M), the Student Investment Group (SIG) account (\$708K), and WesBanco shares (\$269K). Of the endowment managed by JP Morgan, the fiscal year-to-date increase in market value of \$1.4M includes \$15K in contributions, \$78K in income, \$1.3M increase in investment value. The overall rate of return current fiscal year-to-date is 3.5%.

The College holds investments totaling \$4.7M consisting of Endowment and Quasi-Endowment. \$3.7M are funds functioning as endowment (Quasi) and \$1M represents the Blackistone Endowment. Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$4.75M as of August 31, 2021. Funds are currently invested in a mix of fixed income instruments and equities. The overall rate of return is 8.80% on an annualized basis. The remaining \$0.95M of College endowment is currently held in a cash investment pool by the State Treasurer.

Action Item(s) related to specific strategic plan goals as appropriate:

II.A. Revision to the FY22 Current Fund (Operating) Unrestricted Budget

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached FY22 current fund budget will allow the College to continue its mission of providing high-quality, public, post-secondary education. The revision incorporates carry-forward authorization for \$1,921,097 encumbered but not expended as of June 30, 2021.

II.B. Reconciliation of the FY22 Plant Fund (Capital) Budget

Schedules are provided in the materials for informational purposes and move from the final approved FY21 plant budget total and add new projects approved by the Board of Trustees in May 2021. Five major projects with a value greater than \$200K continue with a balance remaining of \$2.3M. Projects with value greater than \$200K require explicit Board of Trustees approval. Additional projects with a value less than \$200K have a remaining balance of \$1.027M. FY21 plant fund activity is reconciled to the end of the fiscal year and new projects approved in May 2021 are added. The FY22 active project budget totals \$3.33M. The projected unencumbered plant fund balance is \$1.45M.

II.C. Approval of the 2021 Performance Accountability Report

The Performance Accountability Report (PAR) is a report required by the State of Maryland that assesses the College's progress on a variety of goals and objectives, including academics, enrollment, retention and graduation, financial aid, and student outcomes. The report provides data on specific metrics as well as a narrative describing strengths and challenges. Maryland law requires institutions to submit their PAR to the Maryland Higher Education Commission for review, and final submission to the Governor and General Assembly.

II.D. Approval of the Revised Telework Policy

The existing six-year-old policy is outdated and focuses primarily on medical conditions to necessitate telework agreements. A more flexible policy is needed, especially given the unpredictability of the pandemic.

The revised policy will now focus on the College's operational needs, an analysis of the position's responsibilities, and a review of the employee's suitability for teleworking. Each approved telework agreement will be on a trial basis for the initial three months. Upon conclusion of the trial period, a performance evaluation between the unit head and the employee will take place to determine whether the teleworking agreement may continue.

The bargaining unit, AFSCME, requested revisions to the Telework Policy to include certain provisions to clarify and amplify telework procedures. A summary of the proposed Telework Policy revisions, as agreed upon between AFSCME and St. Mary's College of Maryland during negotiations on September 14, 2021, is included within the meeting material.

II.E. Approval of the Staff Salary Plan

The College has maintained a Staff Salary Plan that provides minimum entry and maximum salaries for non-exempt positions. Currently, the lowest minimum annual entry level is \$27,040 for caretakers and groundskeepers, which equates to \$13/hour. The American Federation for State, County, and Municipal Employees (AFSCME) negotiated with the Governor's Office and secured the Governor's commitment to raise the State-wide minimum wage to \$15/hour for bargaining units A, B, C, D, F, and H effective July 1, 2021. The AFSCME bargaining unit at St. Mary's College of Maryland is not included in the minimum wage increase agreement with the State. However, the College elects to revise the Staff Salary Plan to provide a minimum entry wage of \$15/hour. Additionally, adjustments were made to the minimum and maximum entry wages for all positions within the Staff Salary Plan based on market salary analysis.



**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
OPEN SESSION
AGENDA**

I. DISCUSSION ITEMS

- A. Moody's Credit Rating Upgrade
- B. FY22 Financial Results to Date
- C. FY21 Operating Budget Closing and Status of Financial Statement Audit
- D. Overview of FY21 COVID-19 Financial Impact (Mitigation Expenses and Lost Revenue)
- E. Results of Federal and State of Maryland Financial Support for COVID-19 Pandemic (FY21)
- F. Strategic Investments from Bond Proceeds

II. ACTION ITEMS

- A. Revision of the FY22 Current Fund (Operating) Unrestricted Budget
- B. Reconciliation of the FY22 Plant Fund (Capital) Budget
- C. Approval of the 2021 Performance Accountability Report
- D. Approval of the Revised Telework Policy
- E. Approval of the Staff Salary Plan

III. INFORMATION ITEMS

- A. Reportable Procurement Items
- B. Joint Investment Activities
- C. Dashboards
- D. Minutes (Meeting of May 7, 2021)

A portion of this meeting will be held in closed session.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
DISCUSSION ITEM I.A.
MOODY'S CREDIT RATING UPGRADE**

Moody's Investors Service, a leading global provider of credit ratings, research, and risk analysis, has raised the outlook on St. Mary's College of Maryland from negative to stable with an A2 rating. According to a Moody's press release announcing the credit rating, the College's "management credibility was a key driver of the revision of the outlook to stable, reflecting prudent fiscal management and actions to execute key strategic plans. The revision also reflects expectations that operating cash flow margins will return to levels achieved prior to the coronavirus pandemic with careful expense management and strong support from the state combined with federal relief funding." The Moody's press release further states that the College's A2 (stable) rating "reflects some stabilization of enrollment, despite the effects of the coronavirus pandemic, and reflects the College's excellent operating environment with solid financial support by the State of Maryland and the College's unique role as Maryland's only stand-alone public honors college." The College is thrilled with this ratings upgrade, especially in these unprecedented pandemic times.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
DISCUSSION ITEM I.B.
FY22 FINANCIAL RESULTS TO DATE**

Overall, revenue collections are 40% of the budgeted level, 11.6% higher than the equivalent period last year, with auxiliary enterprises and tuition recovering from last years depressed levels. State appropriations to our General Fund Grant are on track with first quarter expectations. Operating expenditures in FY22 are running 10.7% higher than last year. All areas of expenditures fall within expectations for current-to-prior year comparison, with the exception of scholarships, where expenses are slightly higher than the previous year. Debt service payments are approximately \$418K higher this year versus last year with the additional interest expense incurred on bonds issued in March of 2021.

DISCUSSION ITEM I.B.
FY22 FINANCIAL RESULTS TO DATE

September 30, 2021

	Budget	Actual	Prior Year	Actual vs. Budget	Change from Prior	Actual vs. Prior
A1 State Appropriation	29,612,759	7,403,190	7,057,780	25%		345,411
A2 Tuition	20,453,526	10,131,393	9,775,384	50%	3.51%	356,009
A3 Fees	3,099,542	2,518,637	2,382,231	81%	5.42%	136,406
A4 Sales & Services	812,675	38,646	(1,200)	5%	103.11%	39,846
A5 Investment Income	84,000	15,497	18,038	18%	-16.40%	(2,541)
A6 Foundation Unrestricted Support	75,000	-	-	0%		-
A7 Other Revenue	254,400	42,712	86,598	17%	-102.75%	(43,886)
A8 Auxiliary Enterprises	16,999,498	8,751,334	6,239,679	51%	28.70%	2,511,655
A9 Additions to Fund Balance	95,000	-	-	0%		-
A Revenues	71,486,400	28,901,409	25,558,510	40%	11.57%	3,342,899
B1 Operating (supply/expense, non-personnel)	17,246,268	3,567,419	3,426,619	21%	3.95%	140,800
B11 Utilities	3,240,151	565,813	383,471	17%	32.23%	182,342
B12 Institutional Expense	499,790	15,836	101,686	3%	-542.12%	(85,850)
B13 Debt Service	3,869,549	3,067,871	2,649,346	79%	13.64%	418,525
B14 Dining Services	4,416,345	940,179	655,306	21%	30.30%	284,873
B15 Bookstore Operations	967,631	149,030	219,120	15%	-47.03%	(70,090)
B16 Waivers	782,684	237,975	236,653	30%	0.56%	1,322
B17 Scholarships	7,363,884	4,028,566	3,557,720	55%	11.69%	470,846
B Operating Expenses	38,386,303	12,572,689	11,229,921	33%	10.68%	1,342,768
C20 Wages	25,006,990	4,513,128	4,623,272		-2.44%	(110,144)
C21 Benefits	10,014,204	1,897,721	1,831,969		3.46%	65,752
C Payroll	35,021,194	6,410,849	6,455,241	18%	-0.69%	(44,392)
Overall - Total	73,407,497	18,983,538	17,685,162	26%	6.84%	1,298,375
Overall - Summary (Revenues - Expenditures)	(1,921,097)	9,917,871	7,873,347			2,044,524

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
DISCUSSION ITEM I.C.
FY21 OPERATING BUDGET CLOSING AND
STATUS OF FINANCIAL STATEMENT AUDIT**

Please note that these figures are preliminary and un-audited.

Actual operating fund results are a surplus of \$2.011M. Rollovers to FY22 total \$1.921M, for a fully funded, net change in financial position over two fiscal years of \$90.7K.

Rollovers include:

- items obligated but not yet delivered as of June 30, 2021 (\$1.022M)
- various academic and other institutional items (\$411K)
- surplus dollars to be used for anticipated ERP/OIT related expenses (\$488K encumbered)

The year-end operating result is approximately \$2M better than the expected \$94K loss.

Significant budgetary impacts include:

- revenue below budget totaling \$986K, offset by \$3.5M of unspent expenditure budgets
- the College received significant funding to reimburse COVID-19 related expenditures and sustain fiscal operations, including:
 - \$880K of Federal funds through the State of Maryland for expense reimbursement
 - \$1.129M of CARES Act funding to offset reduced revenues related to COVID-19 impact
 - the Paycheck Protection Plan loan received in FY20 was forgiven by the Small Business Administration in June and recognized as revenue in FY21

FY21 preliminary and un-audited results are final at this time. On a cash basis, Current Fund Unrestricted (CFU) revenues of approximately \$71.057M were greater than expenditures and transfers, totaling \$69.046M, resulting in a difference of \$2.011M. The all-funds financial statement results on an accrual basis indicate a \$1.4M loss before State capital investment and a gain of \$28.8M overall. The change in accrual basis results is explained by depreciation expense and other non-cash changes.

FY21 closed on June 30, 2021. Review and adjustments for year-end activity are complete. The entrance interview with audit firm Clifton Larsen Allen, LLP (CLA) took place in June 2021. Field work took place the week of August 23, 2021 with an onsite visit and has continued with the auditors working remotely. We remain on schedule with the audit tasks and the audited statements will be presented to the Finance, Investment, and Audit Committee and to the Board of Trustees for review and approval in December 2021.

DISCUSSION ITEM I.C.
FY21 OPERATING BUDGET CLOSING AND
STATUS OF FINANCIAL STATEMENT AUDIT

Fiscal Year 2021

Audit June 30, 2021

	Budget	Actual	Budget vs. Actual	Prior
A1 State Appropriation	26,795,923.00	27,504,897.00		27,157,749.00
A2 Tuition	19,818,735.00	19,450,684.00		19,356,569.00
A3 Fees	3,253,496.00	2,946,052.00		3,211,838.67
A4 Sales & Services	200,900.00	11,125.00		382,365.11
A5 Investment Income	205,000.00	101,598.00		412,694.44
A6 Foundation Unrestricted Support	75,000.00	75,000.00		75,000.00
A7 Other Revenue	254,400.00	206,833.00		254,362.51
A8 Auxiliary Enterprises	14,683,849.00	12,148,697.00		14,418,363.92
A9 Additions to Fund Balance	6,756,697.00	1,950,424.00		718,724.02
B1 Operating (supply/expense. non-personnel)	-	6,662,561.00		750.00
A Revenues	72,044,000.00	71,057,871.00	(986,129.00)	65,988,416.67
B1 Operating (supply/expense. non-personnel)	16,750,202.00	15,095,861.00		13,189,682.23
B11 Utilities	3,171,170.00	2,661,555.00		2,956,527.77
B12 Institutional Expense	184,183.00	303,689.00		273,718.69
B13 Debt Service	3,054,717.00	3,047,216.00		2,489,291.90
B14 Dining Services	4,416,345.00	3,538,903.00		3,528,476.36
B15 Bookstore Operations	941,928.00	666,702.00		842,322.80
B16 Waivers	647,181.00	534,638.00		536,287.75
B17 Scholarships	7,200,000.00	7,012,999.00		6,780,673.60
B Operating Expenses	36,365,726.00	32,861,563.00	(3,504,163.00)	30,596,981.10
C20 Wages	25,224,044.00	26,413,508.00		25,738,347.02
C21 Benefits	10,547,619.00	9,770,959.00		9,890,345.32
C Payroll	35,771,663.00	36,184,467.00	412,804.00	35,628,692.34
Overall - Total Expenditures	72,137,389.00	69,046,030.00	(4,077,488.00)	66,225,673.44
Overall Summary Surplus (Deficit)	(93,389.00)	2,011,841.00		(237,256.77)

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
DISCUSSION ITEM I.D.
OVERVIEW OF FY21 COVID-19 FINANCIAL IMPACT
(MITIGATION EXPENSES AND LOST REVENUE)**

Overall, in FY21 the College realized a \$7.8M deficiency due to revenue losses and expenditures related to COVID-19 mitigation efforts. Specific financial impacts include a \$2.0M reduction by the State in our General Fund Grant, over \$3.5M in lost revenue, including tuition (-\$531K), room and board (-\$2.8M), and rental income loss from athletic events and conferences (-\$205K). In addition, we spent \$2.2M on COVID-19 mitigation efforts, of which the most significant were technology enhancements to support remote instruction, surveillance testing, contractual health services, and personal protection equipment (PPE).

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
DISCUSSION ITEM I.E.
RESULTS OF FEDERAL AND STATE OF MARYLAND FINANCIAL SUPPORT
FOR COVID-19 PANDEMIC (FY21)**

To offset the FY21 revenue losses and expenses related to the pandemic, the College received \$9.3M in support from Federal and State sources. Specifically, the College received \$1.5M from the State of Maryland via its portion of the allocation from the CARES Act, received \$1.12M directly from the Federal level as part of the Higher Education Emergency Relief Fund (HEERF-II), and, most importantly, the College's application for loan forgiveness of the \$6.6M Payroll Protection Program (PPP) loan was approved in June 2021. The net of revenue losses versus additional revenues demonstrated a positive \$1.479M outcome.

Impact

• State GFG Reduction	\$2.054M
• Revenue Losses	
○ Tuition/Fees	\$0.531M
○ Residence Hall Occupancy	\$1.952M
○ Dining Services	\$0.861M
○ Rentals/Events/Conferences	\$0.205M
• <u>COVID-19 Related Expenditures</u>	<u>\$2.260M</u>
Total	\$7.863M

Support

• CARES Act Relief Fund (State - Deferred from FY20)	\$0.664M
• HEERFII (Institutional Portion)	\$1.129M
• CARES Act Relief Fund (State - Expense Reimbursement)	\$0.400M
• CARES Act Relief Fund (Public Safety Expenses)	\$0.488M
• <u>PPP Loan Forgiveness</u>	<u>\$6.661M</u>
Total	\$9.342M

Net Positive: **\$1.479M**

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
DISCUSSION ITEM I.F.
STRATEGIC INVESTMENTS FROM BOND PROCEEDS**

At the May 7, 2021 Finance, Investment, and Audit Committee and the Board of Trustees meetings, the Trustees approved the primary categories of strategic expenditures from the private market bond and delegated authority to commit these resources to the President.

The Board approved the following strategic investment allocation categories:

- Retaining excellent faculty (\$5.0M)
- Student engagement / LEAD-focused programs (\$5.8M)
- Student retention programs (\$1.0M)
- Development of new LEAD-focused curricular and co-curricular programming (\$2.42M)
- Student recruitment programs (\$1.0M)
- Recruitment of new faculty and staff in LEAD areas (\$1.4M)
- Enhanced business efficiency (\$0.5M)
- Provision of an operating budget contingency (\$2.2M)

The cost of issuing the bond was \$716K, leaving an available starting balance of \$19.283M. To date, \$3.168M has been encumbered with a balance remaining of \$16.115M.

**DISCUSSION ITEM I.F.
STRATEGIC INVESTMENTS FROM BOND PROCEEDS**

Categories of Bond Spending	Amount Encumbered/Spent	Available Balance	Percentage of Allocation Expended by Strategic Category
Starting Balance		\$20,000,000	
Cost of Issuance*		\$716,415	
Starting Strategic Allocation Balance (April 1, 2021)		\$19,283,585	
FY21 Faculty Payouts	\$793,488	\$18,490,097	
Retaining Excellent Faculty (\$5.0M)			
FY22 Osprey and Eagle Named Junior Professorships	\$1,650,568	\$16,839,529	33%
Osprey & Eagle Research Awards	\$170,000	\$16,669,529	3%
Student Engagement/LEAD Focused Programs (\$5.8M)			
Center for Career and Professional Development (program enhancements)	\$384,000	\$16,285,529	7%
Student Retention Programs (\$1.0M)			
IDEAA (development of student retention programs)	\$70,000	\$16,215,529	7%
Development of New LEAD-Focused Curricular and Co-Curricular Programming (\$2.42M)			
Throwing Sports Project (student recruitment/retention)	\$100,000	\$16,115,529	4%
Student Recruitment Programs (\$1.0M)			
Recruitment of New Faculty and Staff in LEAD Areas (\$1.4M)			
Enhanced Business Efficiency (\$0.5M)			
	Total Encumbered	\$3,168,056	

** Wells Fargo Corporate Trust Fees (\$8,500), Greenberg Traurig Investors Counsel Fee (\$103,600), Whiteford Taylor & Preston Attorney Fee (\$53,012), PFM Financial Advisors Financial Advisory Fee (\$47,712), Jefferies LLC Placement Agent Fee (\$500,000), St. Mary's College Miscellaneous Project Costs (\$3,591)*

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
ACTION ITEM II.A.**

REVISION OF FY22 CURRENT FUND (OPERATING) UNRESTRICTED BUDGET

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of revisions to the current fund (operating) budget for fiscal year 2022, as attached.

RATIONALE

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached FY22 current fund budget will allow the College to continue its mission of providing high-quality, public, post-secondary education.

The revision incorporates (column B) carry-forward authorization for \$1,921,097 encumbered but not expended as of June 30, 2021.

<i>Program of Expenditure</i>	<i>Type of carry-forward</i>	<i>Amount</i>
Instruction	Faculty Development and Startup Funding	\$164,531
	Encumbered Items	\$381,603
Institutional Support	Additional ERP Support from Year-End Surplus	\$488,621
	Encumbered Items	\$386,051
Student Services	Program Rollover	\$245,000
	Encumbered Items	\$100,063
Auxiliary Enterprises	Encumbered Items	\$95,298
Physical Plant	Encumbered Items and Additional Rollovers	\$59,930
	<i>TOTAL</i>	<i>\$1,921,097</i>

ACTION ITEM II.A.
REVISION OF THE FY22 CURRENT FUND (OPERATING) UNRESTRICTED BUDGET

	FY22 Current Fund Unrestricted (CFU)					For BOT Information Budget	
	May-21 Approved Budget	% Of Total	Routine				
				Reallocation	Rollovers	Changes	
Revenue							
Tuition	20,453,526	28.6%				0	20,453,526 28.6%
Fees	3,099,542	4.3%				0	3,099,542 4.3%
State Grant (Appropriation)	29,612,759	41.4%				0	29,612,759 41.4%
Gifts And Grants	0	0.0%				0	0 0.0%
Sales & Services-Educational	812,675	1.1%				0	812,675 1.1%
Endowment/Investment	179,000	0.3%				0	179,000 0.3%
Foundation Unrestricted Support	75,000	0.1%				0	75,000 0.1%
Sales & Services-Auxiliary	16,999,498	23.8%				0	16,999,498 23.8%
Other	254,400	0.4%	-			0	254,400 0.4%
Total Revenue	71,486,400	100.0%	0	0	0	0	71,486,400 100.0%
Expenditures							
Instruction	18,341,483	25.7%	0		482,826	482,826	18,824,309 26.3%
Research	0	0.0%	0			0	0 0.0%
Public Service	446,482	0.6%	0			0	446,482 0.6%
Academic Support	1,718,223	2.4%	(20)		63,309	63,289	1,781,512 2.5%
Institutional Support	14,927,726	20.9%	(1,400)		874,672	873,272	15,800,998 22.1%
Student Services	8,926,160	12.5%	0		345,063	345,063	9,271,223 13.0%
Plant Operation And Maintenance	4,720,450	6.6%	1,400		59,930	61,330	4,781,780 6.7%
Scholarships/Grants	7,975,781	11.2%	0		0	0	7,975,781 11.2%
Auxiliary Enterprises	14,430,095	20.2%	20		95,297	95,317	14,525,412 20.3%
Total Expenditures	71,486,400	100.0%	0	1,921,097	1,921,097	0	73,407,497 102.7%
Transfers In (Out)							
Debt Service	0	0.0%	0			0	0 0.0%
Quasi Endowment	0	0.0%	0			0	0 0.0%
Total Transfers	0	0.0%	0	0	0	0	0 0.0%
Total Expend. & Transfers	71,486,400	100.0%	0	1,921,097	1,921,097	0	73,407,497 102.7%
Budget Year Incr. (Decr. in Fund Balance	0		(0)	(1,921,097)	(1,921,097)	(1,921,097)	
Fund Balance Carried Forward From FY21				1,921,097	1,921,097	1,921,097	
Total Increase (Decrease) in Fund Balance	0	0	(0)	0	(0)	(0)	

ACTION ITEM II.A.
REVISION OF THE FY22 CURRENT FUND (OPERATING) UNRESTRICTED BUDGET

FY22 Operating (Current Fund) Budget

Summary by Program	Ongoing	One-Time
Instruction	-	482,826
Research	-	-
Public Service	-	-
Academic Support	-	63,309
Institutional Support	-	874,672
Student Services	-	345,063
Plant Operation and Maintenance	-	59,930
Scholarships/Grants	-	-
Auxiliary Enterprises	-	95,297
Transfer to Plant	-	-
Transfer to State	-	-
Total Expenditures	-	1,921,097

Summary by Type	
Items Encumbered @ 6-30-21	1,007,944
Academic Rollvers, Faculty Related	424,531
ERP Initiative / IT Infrastructure	488,621
	-
	1,921,096

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
ACTION ITEM II.B
RECONCILIATION OF THE FY22 PLANT FUND (CAPITAL) BUDGET**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the following revisions to the plant fund (capital) budget for FY22, as provided.

RATIONAL

The attached schedules are provided for informational purposes and move from the final approved FY21 plant budget total and add new projects approved by the Board of Trustees in May 2021.

Five major projects with a value greater than \$200K continue with a balance remaining of \$2.3M. Projects with value greater than \$200K require explicit Board of Trustees approval. Additional projects with a value less than \$200K have a remaining balance of \$1.027M.

FY21 plant fund activity is reconciled to the end of the fiscal year and new projects approved in May 2021 are added. The FY22 active project budget totals \$3.33M. The projected unencumbered plant fund balance is \$1.45M.

ACTION ITEM II.B
RECONCILIATION OF THE FY22 PLANT FUND (CAPITAL) BUDGET

FY21 Initial Plant Budget	3,218,243	
Bon Appetit Additions	8,847	
Final FY21 Plant Budget	<u>3,227,090</u>	[D]
FY21 Expenditures	1,259,395	[A]
FY21 Available Balance	1,967,695	[B]
FY22 New Projects	<u>1,364,695</u>	[E]
FY22 Available Project Budgets	<u>3,332,390</u>	[C]
Cash Available in Unexpended Plant Fund 7-1-2020	1,350,771	
FY21 Facility Fee Receipts	1,353,266	
Funds from Bon Appetit	8,847	
Plant Fund Cash	<u>2,712,884</u>	
FY21 Plant Fund Expenses	<u>1,259,395</u>	[A]
7-1-2021 Plant Fund Available Cash	<u>1,453,489</u>	
Less: Approved New Projects FY22	<u>(1,364,695)</u>	
Excess / (Deficit) Plant Funds	<u>88,794</u>	
FY22 Projected Facility Fees	<u>1,364,695</u>	
Projected Plant Fund Balance	<u>1,453,489</u>	

ACTION ITEM II.B
RECONCILIATION OF THE FY22 PLANT FUND (CAPITAL) BUDGET
FY22 Plant Project Summary

For June 30, 2021

FY22 Additions

CARS		FY21	FY21	Balance	FY22	FY22
Subfund	Description	Budget	CARS Exp	Remaining	Additions	Final Budget
	3227 New Academic Building Facility Prg	315,494	18,993	296,501	413,500	710,001
	3121 Misc. Residence Hall Projects	569,024	308,806	260,218	270,000	530,218
	6501 GSMRF	293,472	(115,231)	408,703		408,703
	3003 Misc Maint & Repair	358,031	104,515	253,516	120,695	374,211
	3239 Residence Hall Furniture	251,708	159,548	92,160	190,000	282,160
	Projects > \$200K	1,787,729	476,631	1,311,098	994,195	2,305,293
	Projects < \$200K	1,439,361	782,764	656,597	370,500	1,027,097
	Total All Projects	3,227,090	1,259,395	1,967,695	1,364,695	3,332,390
		[D]	[A]	[B]	[E]	[C]

ACTION ITEM II.B
RECONCILIATION OF THE FY22 PLANT FUND (CAPITAL) BUDGET
FY22 Plant Project Summary

FY21 CARS		FY21	FY21			Balance
Subfund	Description	Changes	Final Budget	CARS Exp	CARS Enc	Remaining
3001	Plant Contingency	(17,798.00)	32,399.00	0.00		32,399.00
3003	Miscellaneous Maintenance & Repair	53,619.41	358,031.41	104,515.00		253,516.41
3004	Miscellaneous Small Enhancement	(72,464.54)	97,510.46	16,479.00		81,031.46
3020	Site Improvements	0.00	15,000.00	0.00		15,000.00
3022	Campus Master Plan	0.00	39,419.00	0.00		39,419.00
3090	Parking Lot Improvements	0.00	2,855.00	2,855.00		0.00
3121	Miscellaneous Residence Hall Projects	0.00	569,024.00	308,806.00		260,218.00
3175	2006A Bond Issue	0.00	0.00	0.00		0.00
3184	MH Refurbishments	0.00	2,433.00	0.00		2,433.00
3206	AA Hall Replacement-Miscellaneous	(128.00)	0.00	0.00		0.00
3225	Athletics Renovation	(19,413.41)	20,086.59	20,086.59		0.00
3226	AA Hall Green Building Design	(7,757.00)	0.00	0.00		0.00
3227	New Academic Building Facility Prg	0.00	315,494.00	18,993.00		296,501.00
3229	HSMC Chancellors Point	0.00	1,500.00	0.00		1,500.00
3230	Traffic Calming Project	0.00	63,095.00	0.00		63,095.00
3233	Sun Trust - LOC	0.00	35,565.00	0.00		35,565.00
3234	Debt Service	0.00	0.00	0.00		0.00
3236	Pathway Project	0.00	50,000.00	23,200.00		26,800.00
3238	Programming/Study Projects	(40,887.00)	59,900.00	6,710.00		53,190.00
3239	Residence Hall Furniture	0.00	251,708.00	159,548.00		92,160.00
3240	JLR Stadium (Private \$)	0.00	126,666.00	55,116.00		71,550.00
3241	Commemoration Project	0.00	24,472.00	5,034.00		19,438.00
3242	Wellness Center Restroom	0.00	10,220.00	0.00		10,220.00
3244	JLR Stadium F&E	0.00	3,231.00	(723.00)		3,954.00
3247	2018 Series A	0.00	0.00	0.00		0.00
3248	Campus Center Chiller	0.00	0.00	0.00		0.00
3250	JLR Track Surface (Private \$)	5,360.00	509,977.00	509,617.00		360.00
3251	Campus Security Lighting	0.00	75,000.00	33,000.00		42,000.00
3252	Library Renovation	0.00	10,000.00	7,238.00		2,762.00
3253	RC Dock Repair	31,784.00	61,784.00	52,161.00		9,623.00
3254	Housing Security Upgrade	0.00	140,000.00	0.00		140,000.00
3255	Rowing Dock Project (SGA Funded)	0.00	0.00	37,428.00		(37,428.00)
3256	Campus Cameras	58,247.54	58,247.54	14,562.00		43,685.54
3257	2020 Series A	0.00	0.00	0.00		0.00
6501	GSMRF	0.00	293,472.00	(115,231.00)		408,703.00
Total Projects		(9,437.00)	3,227,090.00	1,259,394.59	0.00	1,967,695.41
				[A]		[B]

ACTION ITEM II.B
RECONCILIATION OF THE FY22 PLANT FUND (CAPITAL) BUDGET
FY22 Plant Project Summary

For June 30, 2021

22 Additions

CARS		FY21		Balance	FY22	FY22
Subfund	Description	Final Budget	CARS Exp	Remaining	Additions	Final Budget
3001	Plant Contingency	32,399	-	32,399	25,000	57,399
3003	Miscellaneous Maintenance & Repair	358,031	104,515	253,516	120,695	374,211
3004	Miscellaneous Small Enhancement	97,510	16,479	81,031	30,000	111,031
3020	Site Improvements	15,000	-	15,000	10,000	25,000
3022	Campus Master Plan	39,419	-	39,419		39,419
3090	Parking Lot Improvements	2,855	2,855	-		-
3121	Misc. Residence Hall Projects	569,024	308,806	260,218	270,000	530,218
3175	2006A Bond Issue	-	-	-		-
3184	MH Refurbishments	2,433	-	2,433		2,433
3206	AA Hall Replacement-Miscellaneous	-	-	-		-
3225	Athletics Renovation	20,087	20,087	-	120,000	120,000
3226	AA Hall Green Building Design	-	-	-		-
3227	New Academic Building Facility Prg	315,494	18,993	296,501	413,500	710,001
3229	HSMC Chancellors Point	1,500	-	1,500		1,500
3230	Traffic Calming Project	63,095	-	63,095		63,095
3233	Sun Trust - LOC	35,565	-	35,565		35,565
3234	Debt Service	-	-	-		-
3236	Pathway Project	50,000	23,200	26,800		26,800
3238	Programming/Study Projects	59,900	6,710	53,190		53,190
3239	Residence Hall Furniture	251,708	159,548	92,160	190,000	282,160
3240	JLR Stadium (Private \$)	126,666	55,116	71,550		71,550
3241	Commemoration Project	24,472	5,034	19,438		19,438
3242	Wellness Center Restroom	10,220	-	10,220		10,220
3244	JLR Stadium F&E	3,231	(723)	3,954		3,954
3247	2018 Series A	-	-	-		-
3248	Campus Center Chiller	-	-	-		-
3250	JLR Track Surface (Private \$)	509,977	509,617	360		360
3251	Campus Security Lighting	75,000	33,000	42,000		42,000
3252	Library Renovation	10,000	7,238	2,762	22,500	25,262
3253	RC Dock Repair	61,784	52,161	9,623	50,000	59,623
3254	Housing Security Upgrade	140,000	-	140,000		140,000
3255	Rowing Dock Project (SGA Funded)	-	37,428	(37,428)		(37,428)
3256	Campus Cameras	58,248	14,562	43,686		43,686
3257	2020 Series A	-	-	-		-
3258	Goodpaster Hall			-	113,000	113,000
6501	GSMRF	293,472	(115,231)	408,703		408,703
Total Projects		3,227,090	1,259,395	1,967,695	1,364,695	3,332,390
		[D]	[A]	[B]	[E]	[C]

**BOARD OF TRUSTEES
ST. MARY’S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
ACTION ITEM ILC.
APPROVAL OF THE 2021 PERFORMANCE ACCOUNTABILITY REPORT
*(See supplemental document for complete report.)***

RECOMMENDATION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees of the 2021 Performance Accountability Report for submission to the Maryland Higher Education Commission. This recommendation is contingent upon the endorsement of the Campus Life Committee and the Academic Affairs Committee.

RATIONALE

The Performance Accountability Report (PAR) is a report required by the State of Maryland that assesses the College’s progress on a variety of goals and objectives including academics, enrollment, retention and graduation, financial aid, and student outcomes. The report provides data on specific metrics as well as a narrative describing strengths and challenges. Maryland law requires institutions to submit their PAR to the Maryland Higher Education Commission for review, and final submission to the Governor and General Assembly.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
ACTION ITEM II.D.
APPROVAL OF REVISED TELEWORK POLICY
(See supplemental document for complete policy.)**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends that the Board of Trustees approve and adopt revisions to the March 1, 2015 Board approved Telework Policy. The attached policy revisions will apply to the employees of St. Mary's College of Maryland, including those covered under the collective bargaining agreement with AFSCME. With Board approval, these policy revisions will take effect immediately.

RATIONALE

The existing six-year-old policy is outdated and focuses primarily on medical conditions to necessitate telework agreements. A more flexible policy is needed, especially given the unpredictability of the pandemic.

The revised policy will now focus on the College's operational needs, an analysis of the position's responsibilities, and a review of the employee's suitability for teleworking. Each approved telework agreement will be on a trial basis for the initial three months. Upon conclusion of the trial period, a performance evaluation between the unit head and the employee will take place to determine whether the teleworking agreement may continue.

The bargaining unit, AFSCME, requested revisions to the Telework Policy to include certain provisions to clarify and amplify telework procedures. A summary of the proposed Telework Policy revisions, as agreed upon between AFSCME and St. Mary's College of Maryland during negotiations on September 14, 2021, includes the following:

- A list of tasks deemed acceptable for telework
- A provision for teleworking during a pandemic
- A provision allowing employees the option to opt-out of additional College issued equipment other than the equipment necessary to perform the job
- A provision to ensure that employees meet with the Office of Information Technology prior to the commencement of telework in order to receive the hardware, software, and remote access needed to perform their duties remotely
- Inclusion of language that permits ad hoc telework for an employee who must quarantine

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
ACTION ITEM ILE.
APPROVAL OF THE STAFF SALARY PLAN**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends that the Board of Trustees approve the proposed revisions to the Staff Salary Plan. With Board approval, this plan would be retroactive to October 1, 2021.

RATIONALE

The College has maintained a Staff Salary Plan that provides minimum entry and maximum salaries for non-exempt positions. Currently, the lowest minimum annual entry level is \$27,040 for caretakers and groundskeepers, which equates to \$13/hour. The American Federation for State, County, and Municipal Employees (AFSCME) negotiated with the Governor's Office and secured the Governor's commitment to raise the State-wide minimum wage to \$15/hour for bargaining units A, B, C, D, F, and H effective July 1, 2021. The AFSCME bargaining unit at St. Mary's College of Maryland is **not** included in the minimum wage increase agreement with the State. However, the College elects to revise the Staff Salary Plan to provide a minimum entry wage of \$15/hour. Additionally, adjustments were made to the minimum and maximum entry wages for all positions within the Staff Salary Plan based on market salary analysis.

The estimated annualized net cost to implement the plan is \$96,000.

St. Mary's College of Maryland
Non-Exempt Staff Salary Hiring Plan -- FY22
Effective October 1, 2021

Title	Current Minimum	Proposed Minimum	% Increase	Current Maximum	Proposed Maximum	% Increase
Entry Level	Entry Level			Entry Level	Entry Level	
<u>Clerical</u>						
Office Associate I	28,159	31,300	10%	32,515	36,000	10%
Office Associate II	31,198	34,300	9%	38,644	42,000	8%
<u>Public Safety</u>						
Officer - non-commissioned	28,842	33,300	13%	33,367	38,200	13%
Officer - Shift Supervisor/Sergeant	30,140	38,000	21%	35,355	45,000	21%
Dispatcher	28,769	31,300	8%	36,727	37,500	2%
<u>Fiscal</u>						
Accounts Receivable Specialist	32,707	36,000	9%	38,232	40,000	4%
Fiscal Associate I	29,977	32,000	6%	37,309	38,500	3%
Fiscal Associate II	34,036	35,000	3%	37,710	39,200	4%
<u>Physical Plant</u>						
Caretaker	27,040	31,300	14%	30,000	35,000	14%
Groundskeeper	27,040	31,300	14%	33,700	35,000	4%
General Trades Mechanic	30,740	35,000	12%	40,712	45,000	10%
HVAC Mechanic	32,969	42,000	22%	45,112	52,000	13%
Lead Caretaker	29,859	34,800	14%	34,197	39,750	14%
General Support Staff	27,040	31,300	14%	35,500	37,000	4%
<u>Supervisory Positions</u>						
Assistant Supervisor/Trades	35,000	40,000	13%	46,998	52,000	10%
Assistant Supervisor/Grounds	31,000	38,000	18%	40,759	47,000	13%
Assistant Supervisor/Housekeeping	32,581	36,000		38,604	42,500	

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
INFORMATION ITEM III.A.
REPORTABLE PROCUREMENT ITEMS**

Payee	Description	Amount
Capital Brand Group, LLC	Calvert Hall HVAC and electrical upgrade	\$2,418,498
Jensen Design Studio, LLC	Printing design services	\$150,000 (Not to exceed)
Centennial Contractors Enterprises	Removal and replacement of asphalt surfaces	\$1,000,000
Earn Contractors, Inc.	Labor, supplies, equipment, and materials to remove and replace Crescent Townhouse patio doors.	\$109,800
Designated Interpreters, LLC	Accommodation services for faculty member.	\$100,000

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
INFORMATION ITEM III.B.
JOINT INVESTMENT ACTIVITIES**

The Foundation's Joint Investment and Advisory Committee met on September 29, 2021 to review the Foundation's endowment portfolio with its investment manager J.P. Morgan. The Committee also received a report on the College's endowment/quasi endowment. See attached for information related to the Foundation and College investments.

St. Mary's College of Maryland Foundation

As of August 31, 2021, the total market value of the Foundation's endowment is \$41M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$40M), the Student Investment Group (SIG) account (\$708K), and WesBanco shares (\$269K).

Of the endowment managed by JP Morgan, the fiscal year-to-date increase in market value of \$1.4M includes \$15K in contributions, \$78K in income, \$1.3M increase in investment value. The overall rate of return current fiscal year-to-date is 3.5%. Attached is the consolidated investment statement.

St. Mary's College of Maryland Endowment and Quasi Endowment

The College holds investments totaling \$4.7M consisting of Endowment and Quasi-Endowment. \$3.7M are funds functioning as endowment (Quasi) and \$1M represents the Blackistone Endowment. Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$4.75M as of August 31, 2021. Funds are currently invested in a mix of fixed income instruments and equities. The overall rate of return is 8.80% on an annualized basis as of June 30, 2021.

The remaining \$0.95M of College endowment is currently held in a cash investment pool by the State Treasurer.

**INFORMATION ITEM III.B.
JOINT INVESTMENT ACTIVITIES**

**St Mary's College of Maryland Foundation, Inc
Consolidated Investment Statement
for the period July 1, 2021 to August 31, 2021**

	<u>Beginning Market Value</u> <u>7/1/2021</u>	<u>Ending Market Value</u> <u>8/31/2021</u>
<u>JP Morgan Portfolio</u>		
Endowed Accounts	38,681,437.05	40,083,199
Gift Annuity	1,280,343	1,240,564
Current Funds	4,124,358	4,143,311
Total Investment Accounts Market Value	44,086,138	45,467,074
Endowed Funds Allocated Spending Account	738	738
Gift Annuity Cash Account	6,733	69,696
SGA Investment	669,032	707,667
Total JP Morgan Portfolio	44,762,641	46,245,175
<u>Other Assets</u>		
Perpetual Trust, PNC	1,746,347	1,790,425
WesBanco shares	281,548	268,668
<u>Cash</u>		
Checking Account	711,491	738,430
Endowment Spending Account	1,256,034	1,169,143
<u>Total</u>	48,758,062	50,211,841

*** In addition to the JP Morgan Portfolio, the Foundation Endowment includes the WesBanco Shares & the SGA investment

*** The College holds a quasi-endowment in addition to the above funds

INFORMATION ITEM III.B. JOINT INVESTMENT ACTIVITIES

St. Mary's College of Maryland **Endowment Fund** As of 8/31/2021

	<u>6/30/2021 Balance</u>		<u>31-Aug-21</u>	Annualized return
Legg Mason / 1919 Investments - Cash & Equivalents	193,140.56		176,206.51	Cash
Legg Mason / 1919 Investments - Fixed Income	2,483,028.39	Fixed & Cash	2,516,554.32	
Legg Mason / 1919 Investments - Equity Portfolio	1,944,461.73		2,058,141.97	
	4,620,630.68		4,750,902.80	0.47%
Cash with Treasurer	95,665.98		95,665.98	Cash
Investable Total	4,716,296.66		4,846,568.78	2.76%
Other Investments	977.50		977.50	
Total Investments 6/30/2020	4,717,274.16		4,847,546.28	

Asset Allocation *				
	Current	Lower	Target	Upper
Domestic Equities	36.9%	20%	30%	50%
International Equities	6.4%	0%	5%	10%
Fixed Income	53.0%	50%	60%	70%
Cash	3.7%	30%	5%	15%
	100.0%	100%	100%	145%

Note: Asset Allocation per Board of Trustees approved Investment Policy February 2, 2018

	6/30/2019	6/30/2020	Annual Return	<u>06/30/2021 - Unaudited</u>	
<u>Components of Endowment Fund:</u>					
Restricted Non-expendable	1,000,117.00	1,000,117.00		1,000,117.00	
Restricted Expendable	19,894.00	19,894.00		19,894.00	
Board Designated	3,122,254.01	3,697,263.16		3,697,263.16	
Total	4,142,265.01	4,717,274.16	13.88%	4,717,274.16	0.00%

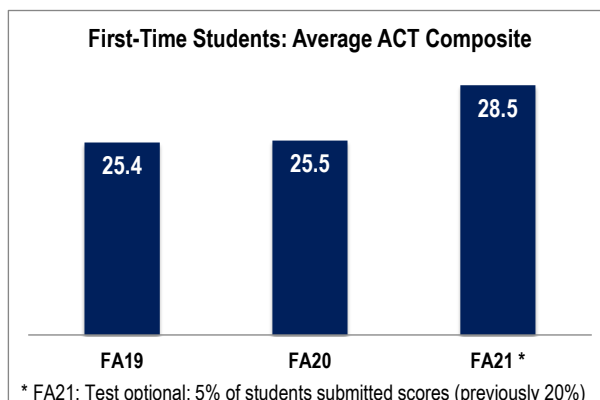
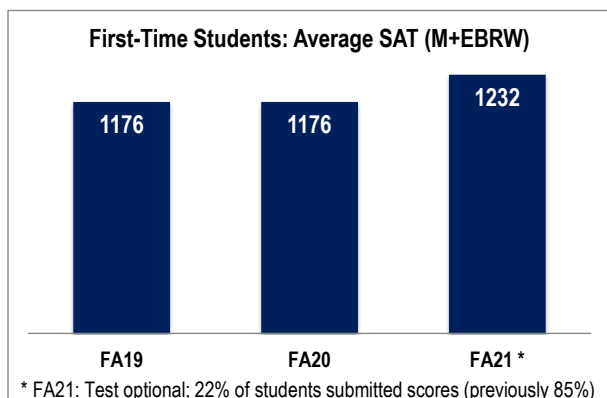
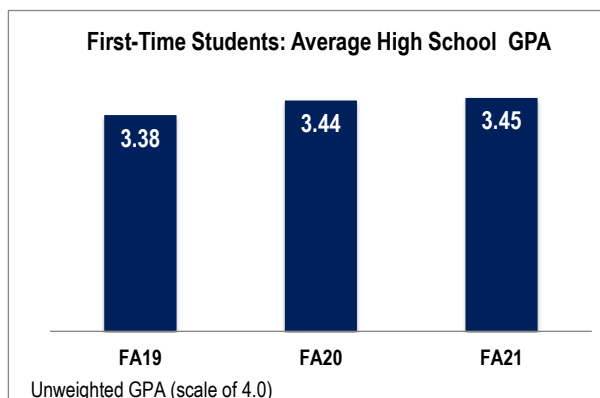
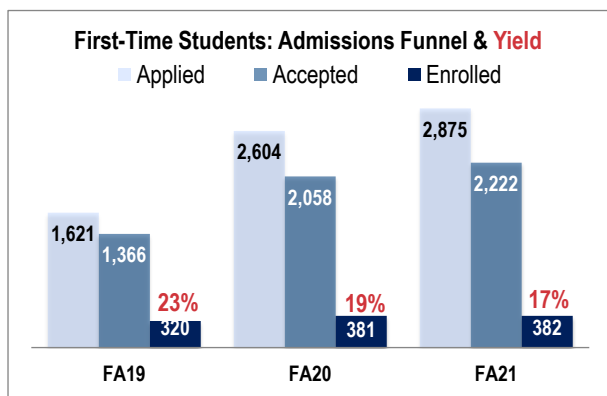
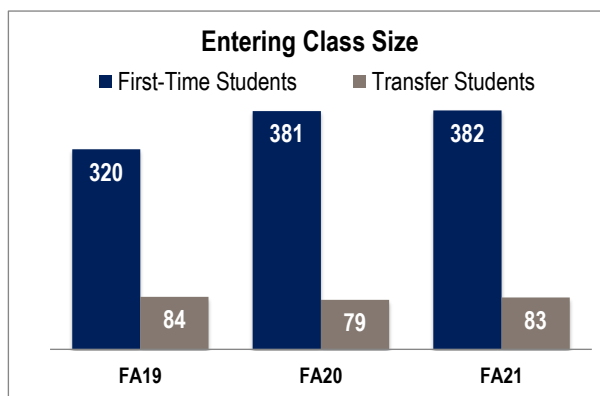
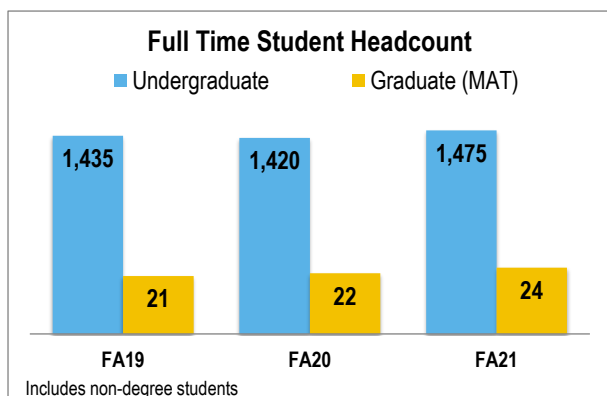
**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 15, 2021
INFORMATION ITEM III.C.
DASHBOARDS**

The current dashboards follow.

Board of Trustees Dashboard - October 2021

Student Characteristics in Enrollment **

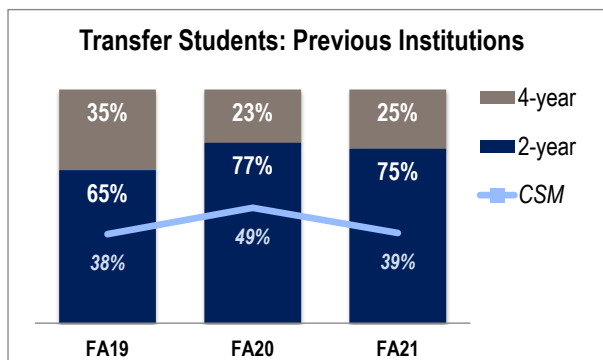
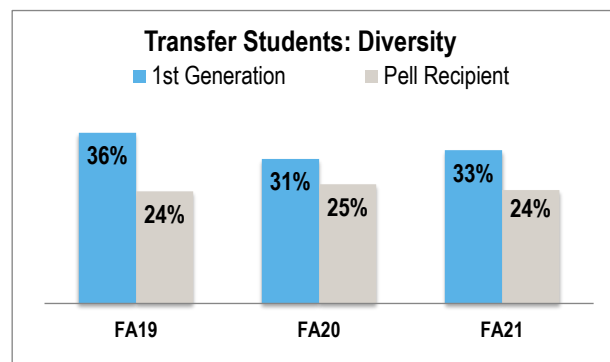
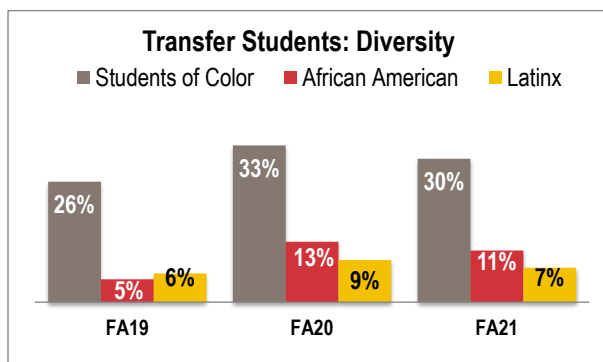
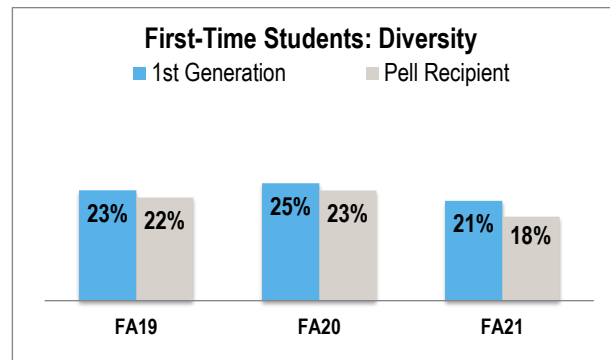
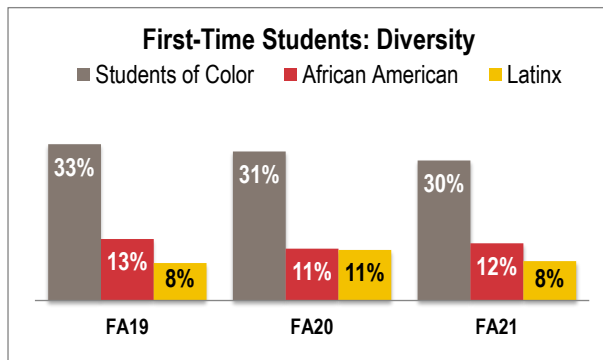
Fall 2021 figures based on preliminary census (freeze) data, 9/27/2021



Board of Trustees Dashboard - October 2021

Student Characteristics in Enrollment **

Fall 2021 figures based on preliminary census (freeze) data, 9/27/2021

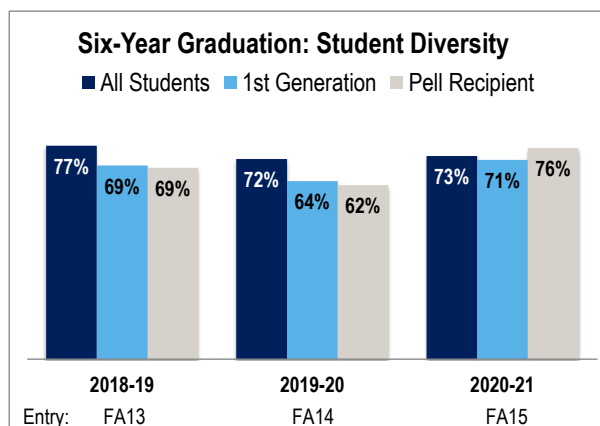
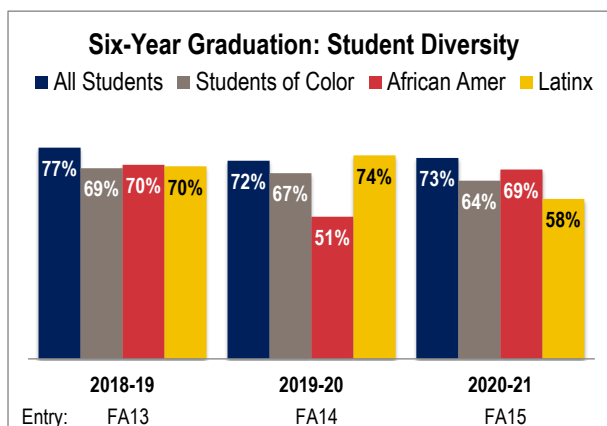
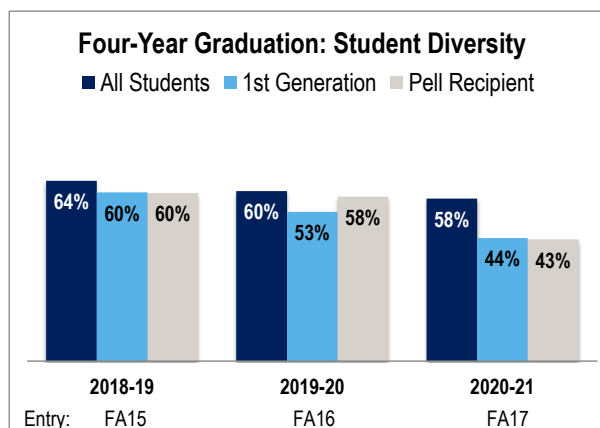
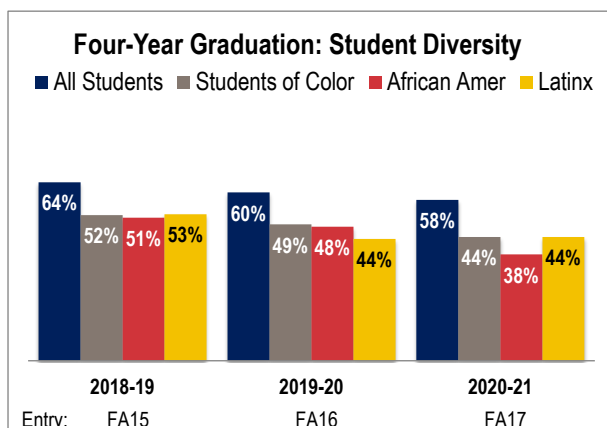
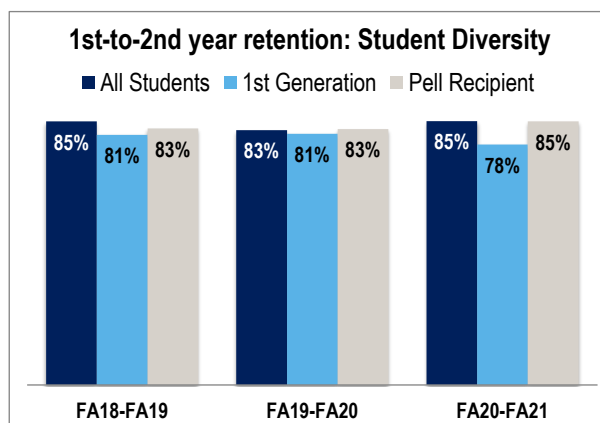
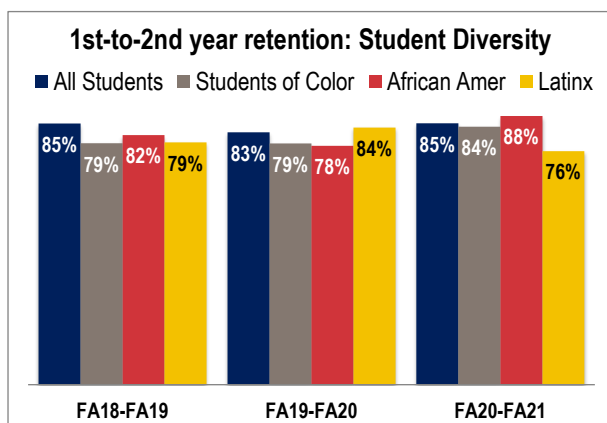


** Goals were temporarily removed for all measures. Revised goals will be established during the strategic planning process.

Board of Trustees Dashboard - October 2021

Student Retention and Persistence (First-Time Students) **

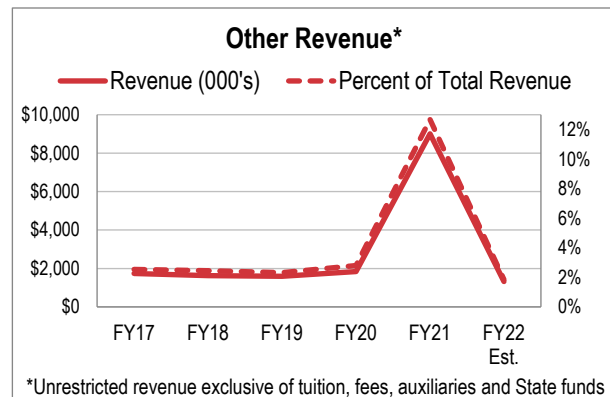
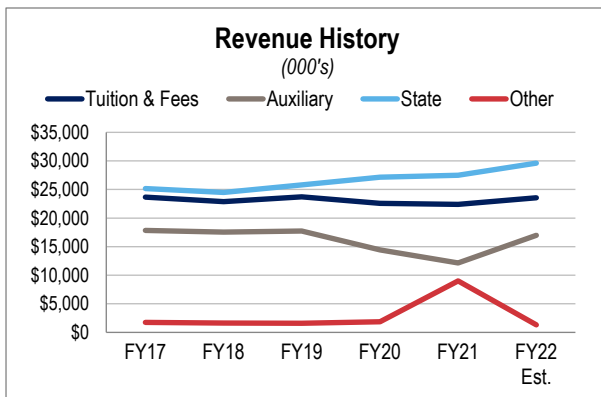
Fall 2021 figures based on preliminary census (freeze) data, 9/27/2021



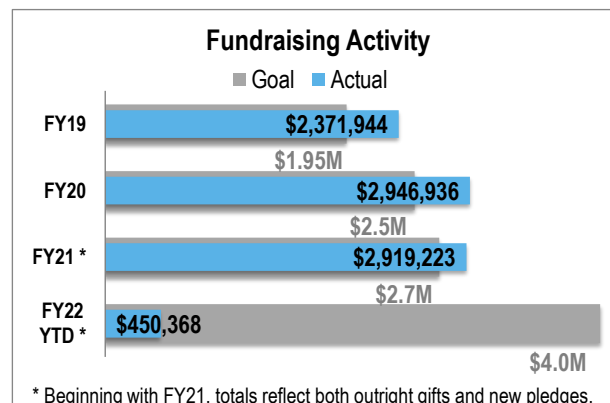
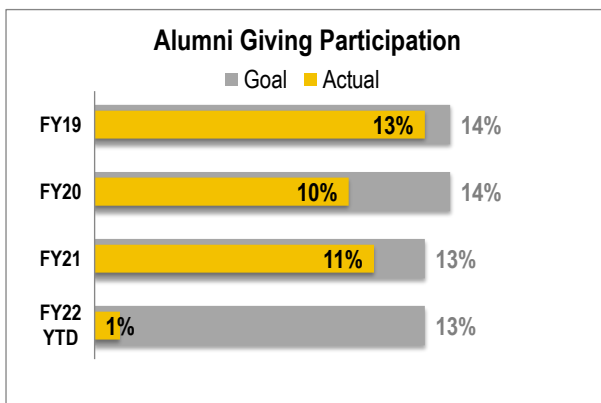
** Goals were temporarily removed for all measures. Revised goals will be established during the strategic planning process.

Board of Trustees Dashboard - October 2021

Revenue and Fundraising



Note regarding FY21 Revenue: The COVID-19 pandemic had major impacts on Auxiliary revenues. A significant portion of the student population chose to study remotely, leading to substantial decreases in on-campus living and dining participation rates. Offsetting revenue increases were recorded in the Other category in the form of CARES act institutional support (\$1.1 million), Paycheck Protection Plan loan forgiveness (\$6.7 million) and federally funded COVID expense reimbursements through the state (\$1.5 million).





**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
MINUTES**

Date of Meeting: May 7, 2021

Status of Minutes: June 28, 2021

Committee Members Present: Committee Chair John Wobensmith '93, Board Chair Lex Birney, Anirban Basu, Susan Dyer, Faculty Representative Liza Gijanto, Sven Holmes, President Tuajuanda Jordan, William Seale, Harry Weitzel, Ray Wernecke

Committee Members Absent: None

Staff Member: Paul Pusecker

Others Present: Nicolas Abrams '99, Joshua Ajanaku '22, Betsy Barreto, John Bell '95, Alice Bonner '03, Fatima Bouzid '22, Peter Bruns, Donny Bryan '73, Kelsey Bush '94, Paula Collins, Carolyn Curry, Peg Duchesne '77, Judy Fillius '79, Elizabeth Graves '95, Mary Grube, Gail Harmon, David Hautanen, Shannon Jarboe, Larry Leak '76, Brayan Ruiz Lopez, Doug Mayer '04, Shana Meyer, Dan Pindell '10, Shanen Sherrer, Jennifer Sivak, Christopher True, Libby Williams, Anna Yates, Derek Young '02

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the open session meeting to order at 1:01 p.m. Attendees participated both in-person and via videoconference.

Information Items

FY21 Financial Results to Date

Actual revenue collections are 76% of the budgeted level. Auxiliary enterprises are trailing expectations due to the lower than expected room and board counts on campus, a result of the COVID-19 pandemic. Actual expenditures for FY21 are approximately 70% of budgeted expectations. All programs of expenditures fall within expectations for current-to-prior year comparison.

Higher Education Emergency Relief Fund II and American Rescue Plan Act of 2021

The Higher Education Emergency Relief Fund II, authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, was signed into law by the former president on December 27, 2020. St. Mary's College received supplemental HEERF II funding in the amount of \$1,716,025. From that amount, the College was required to provide \$586,878 in direct aid to needy students, similar to what was required from the initial CARES Act funding. The \$1,129,147 balance was used to defray institutional revenue losses resulting from the pandemic.

In March 2021, President Biden signed the HEERF-III Act, known as the American Rescue Plan, which provided an additional \$40B for higher education. It is anticipated that St. Mary's College will receive approximately \$3M from this latest round of funding, with half required to go to needy students as financial aid grants and the other half used to defray expenses and lost revenue associated with the COVID-19 pandemic.

FY21 COVID-19 Mitigation Expenses to Date

As of the end of April 2021, expenses directly related to COVID-19 prevention and mitigation exceeded \$1.5M. These expenditures are related to technology, distance learning, remote learning enhancements, PPE, cleaning and disinfecting supplies, Wellness Center medical personnel, surveillance testing, and signage. Of particular note are the costs associated with our increased surveillance testing for all students, faculty, and staff, and the NCAA requirement that all athletes and coaches must be tested twice weekly.

Joint Investment Activities

An overview of the St. Mary's College of Maryland Foundation and the St. Mary's College of Maryland Endowment and Quasi Endowment portfolios was provided to the Committee.

Action Items

II.A. Approval of Non-Discrimination Procedures Policy

The Non-Discrimination Procedures Policy establishes procedures to address and investigate allegations of discrimination or harassment based on race, sex, gender, ability status, and other identity characteristics that are protected by law and included in the College's Non-Discrimination Policy. These procedures apply to students, faculty, and staff and include provisions for a formal investigation process, as well as an Alternative Dispute Resolution process. Reports filed under these procedures would be managed under the Division of Inclusive Diversity, Equity, Access, and Accountability (IDEAA) and/or Human Resources. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

II.B.1. FY22 Current Fund (Operating) Budget

Maryland law entrusts the development and approval of the College's operating budget to the Board of Trustees. The FY22 current fund operating budget presented to the Committee allows the College to continue its mission of providing a high quality, public, post-secondary education. Vice President Paul Pusecker reviewed the components of the proposed balanced budget. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

II.B.2. FY22 Plant Fund (Capital) Budget

The Finance, Investment, and Audit Committee received a favorable endorsement of the FY22 Plant Fund Capital Budget from the Technology, Buildings, and Grounds Committee. The proposed FY22 Plant Budget, solely funded by the student facility fee, totals \$1.365M. The Committee reviewed the Priority A FY22 Plant projects. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

II.B.3. FY23-FY27 State Capital Budget Proposal

The Finance, Investment, and Audit Committee received a favorable endorsement of the FY23-FY27 State Capital Funding Proposal from the Technology, Buildings, and Grounds Committee. The proposed FY23-FY27 State-funded capital budget request includes funding of various Campus Infrastructure Improvements, funding for the design and initial renovation of the Montgomery Hall project, and construction funds for a limited renovation of Goodpaster Hall. Details of the FY23-FY27 State Capital Budget request and a comparison to the Governor's Five-Year Capital Improvement plan were provided to the Committee. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

The meeting adjourned at 1:29 p.m.