

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

**OPEN SESSION  
REPORT SUMMARY**

**Date of Meeting:** May 13, 2022

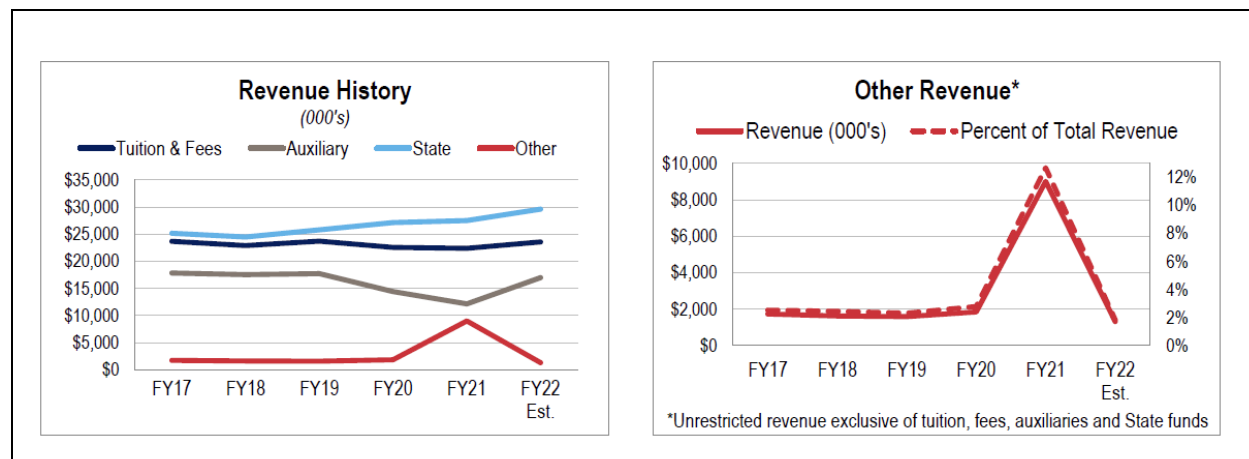
**Date of Next Meeting:** October 14, 2022

**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**

Strategic Investments from Bond Proceeds

At the May 7, 2021 meeting, the Board of Trustees approved the strategic investment allocation categories. The cost of issuing the bond was \$716K, leaving an available starting balance of \$19.283M. As of May 13, 2022 an additional \$1,043,275 has been committed. The remaining balance is \$14.937M.

FY23 Legislative Session Financial Impact

The Legislature approved the Governor's recommended FY23 operating budget for the College, which provides \$32,314,926 in State funds, an increase 9.3% over the FY22 allocation. Additional increases in State support include \$0.643M representing the Block Grant inflator, \$0.53M in healthcare insurance increases, \$0.49M to support wage funding, and \$0.64M for the operations and maintenance of the new Performing Arts Center and Learning Commons. In

addition, the Governor provided an additional \$0.4M for need-based financial aid. It is anticipated that this need-based aid will be on a continuing basis, subject to support from the next Governor.

HB54/SB332 St. Mary's College of Maryland Cost-of-Living Adjustment (COLA) Funding. This legislation, passed by the House and Senate and approved by the Governor, increases the amount of funding the College will receive for statewide COLA increases from 50% to 100%.

The Legislature approved the Governor's Five-Year Capital Improvement Plan, which included the anticipated \$2.0M for infrastructure improvement projects. This was supplemented with an additional \$3.0M for a total award of \$5.0M, with the caveat that the total allocation of funds must be fully expended within three years. The College will also receive \$4.0M in capital renovation funding to support the Hilda C. Landers Library reimagining renovation project and \$1.9M for construction of the teaching and research laboratories in Goodpaster Hall. In addition, the Legislature approved \$100K for the Mount Aventine Archeological Project. Professor Julia A. King will complete the important task of documenting, interpreting, and commemorating African American history at the Mount Aventine location in Charles County.

The State is providing the required match to fully execute and complete the Route 5 Boardwalk Project. The College is grateful to the Department of Budget and Management Office of Capital Budgeting for permitting the College to use available infrastructure funding of \$140K to cover our portion of the additional costs.

The College submitted a congressional earmark for a proposal through Majority Leader Steny Hoyer. The grant is for the acquisition of a large research vessel to support of the College's Marine Science program. Included in the \$900K request for funding was the requisite scientific equipment and instrumentation needed to study the biological, chemical, physical properties of the St. Mary's River, the lower Potomac River, and the Chesapeake Bay. The earmark was approved by congressional action and signed by President Joe Biden. We are awaiting the distribution of funds and have begun developing needed vessel specifications in order to solicit bids.

### **Information Items**

#### Financial Results to Date

Overall, actual revenue collections are 99.8% of the budgeted level, with Sales and Services trailing expectations due to the lower than historical study abroad participation, resulting from the impact of the COVID-19 pandemic. Actual expenditures for FY22 are approximately 79% of budgeted expectations. All programs of expenditures fall within expectations for current-to-prior year comparison with the exception of scholarship expense, which is 7.6% over budget. Note that debt service payments (expenses) are approximately \$776K higher this year versus last year as a result of the new 2020 bond action.

#### Joint Investment Activities

As of March 31, 2022, the total market value of the Foundation's endowment was \$39M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$38M), the Student Investment Group (SIG) account (\$831K), and WesBanco shares (\$271K).

Of the endowment managed by JP Morgan, the fiscal year-to-date decrease in market value of \$755K includes \$466K in contributions, \$664K in income, \$29K increase in investment value, and distributions of \$1.914M. The overall rate of return current fiscal year-to-date is 1.3%. Attached is the consolidated investment statement.

The College holds investments totaling \$4.8M consisting of Endowment and Quasi-Endowment. \$3.8M 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 \$4.7M as of March 31, 2022. Funds are currently invested in a mix of fixed income instruments and equities.

The remaining \$295K of College endowment is currently held in a cash investment pool by the State Treasurer.

#### Reportable Procurement Items

A list of reportable procurement items is included in the meeting materials.

#### Dashboards

Current College dashboards are included in the meeting materials.

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

#### **II.A. Approval of the Long-Range Tuition Strategy**

Based on the recommendation of the Board of Trustees Task Force One (admission, financial aid, and cost of attendance), a 10-year budget model was developed to better align the College's in-state tuition with that of the University of Maryland, College Park (UMD), which is the State's flagship public institution and the College's top in-state competitor. Currently, the in-state tuition gap between the two institutions is about 23%.

The Long-Range Tuition Strategy will bring the College's in-state undergraduate tuition within 10% of UMD's within a 10-year period, based on the assumption that UMD continues to increase its undergraduate in-state tuition by an average of 2% per year. This rate of increase was determined by using the five-year average increase, *sans* State tuition buy-downs, prior to the pandemic. The recommendation to hold the College's tuition for in-state, out-of-state, and DC residents at the current levels until the targeted gap is reached, as demonstrated in 10-year budget model. The targeted tuition gap could be reached by FY32.

#### **II.B. Approval of Employee Handbook Revision**

The revision to the St. Mary's College of Maryland Employee Handbook is a modification to the Voluntary Separation Policy that clarifies the College's expectations for receiving reasonable notice from senior employees (vice president, assistant/associate vice president, executive director, and director classifications) who voluntarily resign from their position.

The current Voluntary Separation Policy within the Employee Handbook states that employees terminating service are expected to provide notice of at least two weeks prior to their departure date. The proposed insertion is primarily directed towards senior level staff and senior

administrators, as those positions require extensive knowledge and skills. Increasing to a minimum of four weeks notice will provide the College with adequate time to conduct a successful search for a replacement, thus reducing any impact to the level of service provided and ensuring continuity of operations.

### **II.C. Approval of Revisions to the Authority and Responsibility Matrix**

The Authority and Responsibility Matrix was developed to provide an accurate and clear summary of the responsibilities of the Board of Trustees, the President, and the officers of the College regarding various functions and operations. The Authority and Responsibility Matrix last received Board of Trustees approval on May 2, 2015. The Matrix has been carefully reviewed and updated accordingly to ensure that it accurately reflects the current College practices. The document included in the materials highlights actions the Board of Trustees needs to approve, as well as when Board of Trustees notification is required.

### **II.D.1. Approval of the FY23 Current Fund (Operating) Budget**

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached FY23 current fund budget will allow the College to continue its mission of providing a high quality, public, post-secondary education.

### **II.D.2. Approval of the FY23 Plant Fund (Capital) Budget**

The Committee will consider the proposed Priority A FY23 Plant Projects as shown in the attached schedule. Background information is attached and includes a cost breakdown by priority categories and a listing of FY23 plant budget projects.

### **II.D.3. Approval of the FY24-FY28 State Capital Budget Proposal**

The proposed FY24-FY28 State-funded capital budget request includes funding of various Campus Infrastructure Improvements, funding for the design and renovation of Montgomery Hall, and initial design costs associated with interior improvements and ADA compliance issues in Calvert Hall.



**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022**

**OPEN SESSION  
AGENDA**

- I. DISCUSSION ITEMS**
  - A.** Strategic Investments from Bond Proceeds
  - B.** FY23 Legislative Session Financial Impact
- II. ACTION ITEMS**
  - A.** Approval of the Long-Range Tuition Strategy
  - B.** Approval of Employee Handbook Revision: Notice from Employees Terminating Service
  - C.** Approval of Revisions to the Authority and Responsibility Matrix
  - D.** Approval of FY23 Budgets
    - 1. FY23 Current Fund (Operating) Budget
    - 2. FY23 Plant Fund (Capital) Budget
    - 3. FY24-FY28 State Capital Budget Proposal
- III. INFORMATION ITEMS**
  - A.** FY22 Financial Results to Date
  - B.** Joint Investment Activities
  - C.** Reportable Procurement Items
  - D.** Dashboard
  - E.** Minutes (Meeting of February 4, 2022)

*The Committee does not expect to close a portion of this meeting.*

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
DISCUSSION ITEM I.A.  
STRATEGIC INVESTMENTS FROM BOND PROCEEDS**

At the May 7, 2021 meeting, the Board of Trustees 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. When presented at both the February 4, 2022 Finance, Investment, and Audit Committee meeting and the February 5, 2022 Board of Trustees meeting, the remaining balance of the bond proceeds was \$15.981M.

As of the May 13, 2022 Finance, Investment, and Audit Committee meeting, an additional \$1,043,275 has been committed, with a remaining balance of \$14.937M. The new spending details are highlighted in yellow.

Categories of Bond Spending	Amount Encumbered/Spent	Available Balance
<b>Starting Balance</b>		\$20,000,000
<i>Cost of Issuance*</i>		\$716,415
<b>Starting Strategic Allocation Balance (April 1, 2021)</b>		\$19,283,585
FY21 Faculty Payouts	\$793,488	
FY22 Faculty Payouts	\$76,978	
Private Advisory Group (wealth advisor services for exiting faculty)	\$4,900	
<b>Retaining Excellent Faculty (\$5.0M)</b>		
FY22 Osprey and Eagle Named Junior Professorships	\$1,650,568	
Osprey and Eagle Research Awards	\$170,000	
<b>Student Engagement/LEAD Focused Programs (\$5.8M)</b>		
Center for Career and Professional Development (program enhancements)	\$384,000	
FY23 Student / Academic Support (part of FY23 SRI process)	\$493,476	
<b>Student Retention Programs (\$1.0M)</b>		
IDEAA (development of student retention programs)	\$70,000	
<b>Development of New LEAD-Focused Curricular and Co-Curricular Programming (\$2.42M)</b>		
Throwing Sports Project (student recruitment/retention)	\$100,000	
Marine Science Near Shore Vessel (Maritime 233)	\$98,531	
<b>Recruitment of New Faculty and Staff in LEAD Areas (\$1.4M)</b>		
Academic Search (Senior Professor of Business Administration)	\$52,975	
Dr. Elka Porter, Marine Studies Faculty (base salary + start-up costs)	\$129,000	
Dr. Silvio Borrero, William Seale Professor of Business (base salary + start-up costs)	\$200,000	
<b>Enhanced Business Efficiency (\$0.5M)</b>		
Presidio for IT Assessment	\$122,268	
<b>Total Encumbered</b>	<b>\$4,346,184</b>	<b>\$14,937,401</b>
<i>* Wells Fargo Corporate Trust Fees (\$8,500), Greenberg Traurig Investors Counsel Fee (\$103,600), Whiteford Taylor &amp; 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)</i>		
Denotes expenses since last report to the Finance, Investment, and Audit Committee.		

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
DISCUSSION ITEM I.B.  
FY23 LEGISLATIVE SESSION FINANCIAL IMPACT**

**FY23 Operating Budget**

The Legislature approved the Governor's recommended FY23 operating budget for the College, which provides \$32,314,926 in State funds, an increase of 9.3% over the FY22 allocation. Additional increases in State support include \$0.643M representing the Block Grant inflator, \$0.53M in healthcare insurance cost increases, \$0.49M to support wage funding, and \$0.64M for the operations and maintenance of the new Performing Arts Center and Learning Commons. In addition, the Governor provided an additional \$0.4M for need-based financial aid. It is anticipated that this need-based aid will be on a continuing basis, subject to support from the next Governor.

**SMCM FY23 Operating Budget Summary**

General Funds	\$27,062,919
Higher Education Investment Fund	\$ 2,549,840
FY23 Inflator	\$ 643,130
Healthcare Rate Change	\$ 530,739
FY22 COLA Annualization	\$ 490,861
Operational Support for NABA	\$ 637,457*
<u>FY23 Additional Need-Based Aid</u>	<u>\$ 400,000</u>
Total FY23 State Operating Funds	\$ 32,314,946

*\*Annualized for FY23, expect \$750K in FY24 and beyond.*

HB54/SB332 St. Mary's College of Maryland Cost-of-Living Adjustment (COLA) Funding. This legislation, passed by the House and Senate and approved by the Governor, increases the amount of funding the College will receive for statewide COLA increases from 50% to 100%.

**FY23 Capital Budget**

The Legislature approved the Governor's Five-Year Capital Improvement Plan (CIP), which included the anticipated \$2.0M for infrastructure improvement projects. This amount was supplemented with an additional \$3.0M, for a total award of \$5.0M, with the caveat that all funds must be fully expended within three years. The College will also receive \$4.0M in capital renovation funding to support the Hilda C. Landers Library reimagining renovation project, and \$1.9M for construction of the chemistry and biochemistry teaching and research laboratories in Goodpaster Hall. In addition, the Legislature approved \$100K for the Mount Aventine Archeological Project. Professor Julia A. King will complete the important task of documenting, interpreting, and commemorating African American history at the Mount Aventine location in Charles County.



### SMCM FY23 Capital Budget Summary

Facility and Infrastructure Renewal	\$ 5,000,000
Hilda C. Landers Library Renovation	\$ 4,000,000
Goodpaster Hall Renovation	\$ 1,889,000
<u>Mount Aventine Archeological Project</u>	<u>\$ 100,000</u>
Total FY23 Capital Funds	\$10,989,000*

*\*Prior to action by the Governor and the Legislature, the College expected just \$3.9M in FY23 support.*

#### **Additional Capital Related Actions**

The State will provide the matching funds, due to bids exceeding available budget, to complete the Route 5 Boardwalk Project. The College is grateful to the Department of Budget and Management Capital Budgeting for authorizing the College to use available infrastructure funding, in the amount of \$140K, to cover additional costs.

The College submitted a congressional earmark proposal through Majority Leader Steny Hoyer for the acquisition of a large research vessel capable of carrying 20+ students and faculty. The vessel will be used for day trips throughout the Chesapeake and associated river systems to conduct educational and research activities in support of the College's Marine Science program. Included in the \$900K request for funding was the requisite scientific equipment and instrumentation needed to study the biological, chemical, physical properties of the St. Mary's River, the lower Potomac River, and the Chesapeake Bay. The earmark was approved by congressional action and signed by President Joe Biden. We are awaiting the distribution of funds and have begun developing needed vessel specifications in order to solicit bids.

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
ACTION ITEM IIA.  
APPROVAL OF A LONG-RANGE TUITION STRATEGY**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the Long-Range Tuition Strategy. Implementation of the Long-Range Tuition Strategy, upon approval, would begin in FY23 and continue as long as the assumptions remain viable.

**RATIONALE**

Based on the recommendation by the Board of Trustees Task Force One (admission, financial aid, and cost of attendance), a 10-year budget model has been developed to better align the College's in-state tuition with that of the University of Maryland, College Park (UMD), the College's top in-state competitor. Currently, the in-state tuition gap between the two institutions is about 23%.

The Long-Range Tuition Strategy will bring the College's in-state undergraduate tuition within 10% of UMD's within a 10-year period, based on the assumption that UMD continues to increase its undergraduate in-state tuition by an average of 2% per year. This rate of increase was determined by using the five-year average increase, *sans* State tuition buy-downs, prior to the pandemic. The recommendation, as demonstrated in the 10-year budget model, is to hold the College's tuition for in-state, out-of-state, and DC residents at the current levels until the targeted gap is reached. Accordingly, based on the assumptions below, the targeted tuition gap could be reached by FY32.

**Revenue Assumptions**

- Determine total student enrollment to estimate expected tuition dollars.
  - Consider historical averages for application to enrolled student yield for those indicating an intended major. Both Marine Science and Neuroscience are expected to impact enrollment beginning in Fall 2022 (FY23) and Business in Fall 2023 (FY24). Stable growth is then anticipated through FY26.
  - Transfer student enrollment is projected to remain stable.
  - A 1% per year increase in first-to-second year retention is expected until a plateau of 88% is reached.
- Assumption that the State will honor the funding formula and the inflator will be 2.5% annually, based on the rolling four-year average over the course of the last eight years.
- Room, board, and fees increase by 2% annually.
- Projected additional revenue from the rental of the Jamie L Roberts Stadium and the Performing Arts Center.
- All other revenue sources are projected to remain relatively flat, including the unrestricted support from the Foundation.

#### Expense Assumptions

- Operating expenses are calculated based on a 4% annual increase due to inflation, with the exception of the campus bookstore, which averages an annual operating increase of 3%.
- A 2.5% annual increase in scholarships is expected until FY31, at which time it will likely decrease to 1% due to enrollment stabilization.
- The 10-year budget model does not include the College's contributions for employee COLA increases, which are now fully funded by the State as a result of HB 54/SB 332.

**SMCM Proposed Model to Right-Set In-State Undergraduate Tuition**

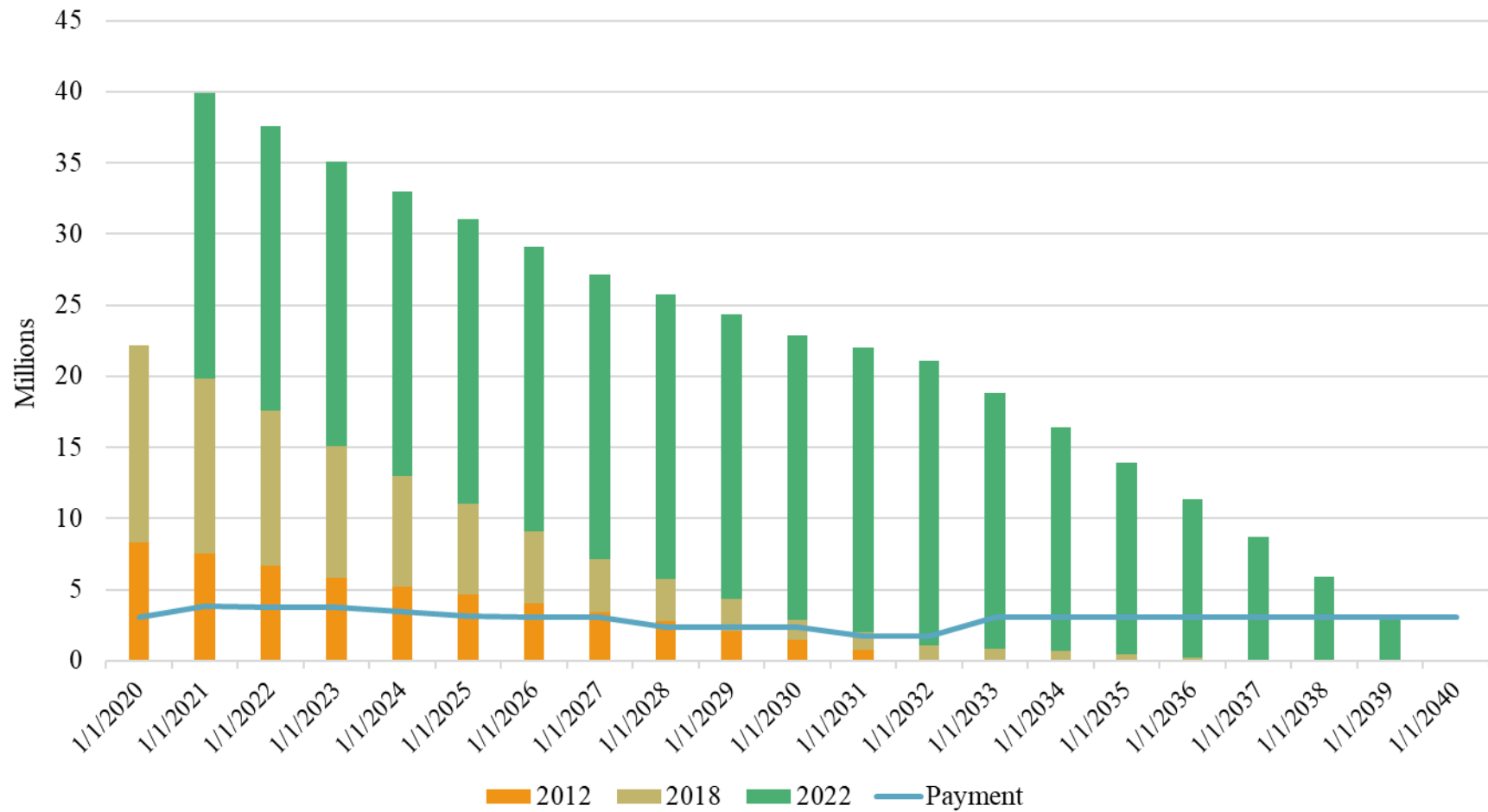
	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>FY32</b>
<b>UMD Tuition</b>	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338	\$10,545	\$10,756	\$10,971
<b>SMCM Tuition</b>	\$12,116	\$12,116	\$12,116	\$12,116	\$12,116	\$12,116	\$12,116	\$12,116	\$12,116
<b>Gap Percent</b>	22.70%	21.20%	19.60%	18.00%	16.40%	14.70%	13.00%	11.20%	9.50%

**Budget Projections**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>FY32</b>
<b>Total Enrollment</b>	1,544	1,601	1,657	1,694	1,721	1,737	1,741	1,741	1,741
<b>Revenues</b>	\$80,765,020	\$82,828,669	\$82,980,890	\$84,660,588	\$86,201,286	\$87,586,886	\$88,941,331	\$90,327,353	\$91,745,696
<b>Expenditures</b>	\$79,901,432	\$81,000,215	\$81,899,612	\$83,334,549	\$84,951,420	\$85,942,998	\$87,665,249	\$89,284,362	\$90,345,740
<b>Surplus (Deficit)</b>	\$863,588	\$1,828,454	\$1,081,278	\$1,326,040	\$1,249,865	\$1,643,888	\$1,276,081	\$1,042,991	\$1,399,956

<b>ST. MARY'S COLLEGE OF MARYLAND</b>										
Rate Changes										
Tuition	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MAT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fees	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
General Fund Grant	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Room	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Board	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Budget Projection Model</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>FY32</b>	<b>FY33</b>
Projected Total Enrollment	1,544	1,601	1,657	1,694	1,721	1,737	1,741	1,741	1,741	1,741
<b>REVENUE:</b>										
Tuition	23,333,921	24,090,721	24,590,749	24,955,635	25,171,863	25,225,921	25,225,921	25,225,921	25,225,921	25,225,921
Fees	3,589,255	3,752,172	3,884,153	4,000,705	4,098,781	4,175,130	4,244,898	4,316,062	4,388,649	4,462,688
State Appropriations - General Fund	31,737,139	32,530,567	33,343,831	34,177,427	35,031,863	35,907,659	36,805,351	37,725,484	38,668,622	39,635,337
Auxiliary Enterprises ( <i>includes room, board, bookstore ops</i> )	19,083,063	19,433,567	19,791,081	20,155,746	20,527,704	20,907,101	21,294,086	21,688,811	22,091,430	22,502,102
Sales and Services - Educational ( <i>conf revenues, foreign program fees, non-credit tuition</i> )	862,675	862,675	862,675	862,675	862,675	862,675	862,675	862,675	862,675	862,675
Quasi-Endowment / Interest Income ( <i>\$95K from quasi endowment, balance from MD interest</i> )	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000	179,000
Foundation Unrestricted Support	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Debt funded Transfer ( Osprey and Eagle )***	1,650,567	1,650,567								
Other ( <i>career center reg fees, faculty housing revenue, miscellaneous</i> )	254,400	254,400	254,400	254,400	254,400	254,400	254,400	254,400	254,400	254,400
<b>Total Revenues</b>	<b>80,765,020</b>	<b>82,828,669</b>	<b>82,980,890</b>	<b>84,660,588</b>	<b>86,201,286</b>	<b>87,586,886</b>	<b>88,941,331</b>	<b>90,327,353</b>	<b>91,745,696</b>	<b>93,197,122</b>
Operating expenses	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Bookstore Operations	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Scholarships	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	1.0%	1.0%	1.0%
<b>EXPENSE:</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>FY32</b>	<b>FY33</b>
Base Budgets										
Operating ( <i>supply/expense, non-personnel</i> )	16,602,063	17,266,145	17,956,791	18,675,063	19,422,065	20,198,948	21,006,906	21,847,182	22,721,069	23,629,912
Utilities	3,853,455	3,969,058	4,088,130	4,210,774	4,337,097	4,467,210	4,601,226	4,739,263	4,881,441	5,027,884
Institutional Expense ( <i>institutional contingency, plant/auxiliary contingency, insurance</i> )	623,831	623,831	623,831	623,831	623,831	623,831	623,831	623,831	623,831	623,831
Debt Services	3,806,842	3,449,035	3,173,578	3,052,529	3,061,054	2,390,059	2,393,579	2,393,794	1,781,562	3,087,232
Dining Services ( <i>Bon Appetit costs</i> )	4,842,060	5,035,742	5,237,172	5,446,659	5,664,525	5,891,106	6,126,751	6,371,821	6,626,694	6,891,761
Bookstore Operations	840,508	865,723	891,695	918,446	945,999	974,379	1,003,610	1,033,719	1,064,730	1,096,672
Tuition Waivers	802,250	822,306	842,864	863,936	885,534	907,672	930,364	939,668	949,064	958,555
Total Scholarships	8,280,461	8,487,473	8,699,660	8,917,151	9,140,080	9,368,582	9,602,797	9,698,825	9,795,813	9,893,771
Sub Total (non-personnel)	39,651,470	40,519,314	41,513,721	42,708,388	44,080,186	44,821,788	46,289,064	47,648,102	48,444,204	51,209,619
Personnel - Wages (includes \$275K of Foundation offsets)	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Additional salary costs (beyond bond support) - inclusive of benefits	28,598,747	28,598,747	28,598,747	28,268,180	28,268,180	28,268,180	28,268,180	28,268,180	28,268,180	28,268,180
Osprey and Eagle Moves to Foundation			(1,650,567)							
Personnel - Benefits	11,546,942.98	11,777,882	12,013,439.48	12,253,708	12,498,782	12,748,758	13,003,733	13,263,808	13,529,084	13,799,666
2% COLA	-	-	-	-	-	-	-	-	-	-
Related FICA and Pension	-	-	-	-	-	-	-	-	-	-
Other wage changes	104,272	104,272	104,272	104,272	104,272	104,272	104,272	104,272	104,272	104,272
Osprey and Eagle Named Professorship savings - private funding offset										
Sub Total (Personnel)	40,249,962	40,480,901	40,385,891	40,626,160	40,871,234	41,121,210	41,376,185	41,636,260	41,901,536	42,172,118
<b>Total Expenses</b>	<b>79,901,432</b>	<b>81,000,215</b>	<b>81,899,612</b>	<b>83,334,549</b>	<b>84,951,420</b>	<b>85,942,998</b>	<b>87,665,249</b>	<b>89,284,362</b>	<b>90,345,740</b>	<b>93,381,737</b>
<b>(Deficit)</b>	<b>863,588</b>	<b>1,828,454</b>	<b>1,081,278</b>	<b>1,326,040</b>	<b>1,249,865</b>	<b>1,643,888</b>	<b>1,276,081</b>	<b>1,042,991</b>	<b>1,399,956</b>	<b>(184,615)</b>
<b>Note***</b>										
Per the Board document proposing the Osprey and Eagle Professorships. The program was for two-year awards, renewable once, for a total of four years.										
The initial funding source was private bond money, subsequently funds should be made available through the College's fundraising efforts.										

### Outstanding Principal and Debt Payment by Year



**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
ACTION ITEM II.B.  
APPROVAL OF EMPLOYEE HANDBOOK REVISION**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends that the Board of Trustees approve the following revision to the St. Mary's College of Maryland Employee Handbook. Specifically, a modification to the Voluntary Separation Policy will clarify the College's expectations for receiving reasonable notice from senior employees (vice president, assistant/associate vice president, executive director, and director classifications) who voluntarily resign from their position.

**RATIONALE**

The current Voluntary Separation Policy within the Employee Handbook states that employees terminating service are expected to provide notice of at least two weeks prior to their departure date. The proposed insertion is primarily directed towards senior level staff and senior administrators, as those positions require extensive knowledge and skills. The additional notice will provide the College with adequate time to conduct a successful search for a replacement, thus reducing any impact to the level of service provided and ensuring continuity of operations.

Current language with proposed addition in *italics*:

**Voluntary Separation Policy**

Employees terminating their service with the College are expected to give reasonable notice of at least two weeks (preferably, one month). *Senior level staff (vice president, assistant/associate vice president, executive director, and director classifications) who voluntarily resign and wish to remain in good standing with the College are expected to give a reasonable notice of at least four weeks.* In cases of retirement, the decision is usually made well in advance of the actual date and, as such, the College expects a longer notice. Employees retiring should contact the Office of Human Resources for an appointment for retirement counseling at least three months prior to retirement.

Employees resigning should notify their supervisors in writing of their intention to leave and provide a specific date for the last day they expect to be paid on payroll. Copies of this letter of resignation should be provided to the Senior Administrator and the Office of Human Resources by the employee's supervisor.

**BOARD OF TRUSTEES  
ST. MARY’S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
ACTION ITEM ILC.**

**APPROVAL OF REVISIONS TO THE AUTHORITY AND RESPONSIBILITY MATRIX**

**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 Authority and Responsibility Matrix.

**RATIONALE**

The Authority and Responsibility Matrix was developed to provide an accurate and clear summary of the responsibilities delegated to the Board of Trustees, the President, and the officers of the College regarding various functions and operations. The Authority and Responsibility Matrix last received Board of Trustees approval on May 2, 2015. The Matrix has been carefully reviewed and updated accordingly to ensure that it accurately reflects current College practices. The Authority and Responsibility Matrix included in the materials highlights actions requiring Board of Trustees approval, as well as those requiring Board of Trustees notification. Included in the supplemental materials is the Authority and Responsibility Matrix for Executive Council, which contains extensive detail and is designed for internal reference.



## DRAFT Pending Board of Trustees Approval on May 13, 2022

Administrative Area	Responsibility/Authority			
	Prepare	Recommend	Approve	Notify
<b>Budget &amp; Finance</b>				
Fiscal Year Budgets - Operating and Capital (Plant)	VP Business/CFO	President	Board	
Rates: Tuition, Fees, Room and Dining Plan	VP Business/CFO	President	Board	
Auditors' Report and Audited Financial Statements	VP Business/CFO	President	Board	
Operating Budget Revision: Revenues = or > Expenditures		VP Business/CFO	President	Board
Operating Budget Revision: Revenues < Expenditures	VP Business/CFO	President	Board	
Plant Budget Revision < \$200K		VP Business/CFO	President	Board
Plant Budget Revision > \$200K	VP Business/CFO	President	Board	
Liquidation of up to 10% of Quasi-Endowment		VP Business / CFO	President	Board
Spending Authority above 5% of Annualized Budget		VP Business / CFO	President	Board
Contingency Budget Spending	AVP Finance	VP Business/CFO	President	
<b>Banking / Bond Issues</b>				
Issue Revenue Bonds / Bank Loans	VP Business/CFO	President	Board	
Bond Refinancing	VP Business/CFO	President	Board	
<b>Procurement and Memoranda of Understanding</b>				
Procurement Policy	VP Business/CFO	President	Board	
Procurement >\$100K			VP Business/CFO	President/Board
Procurement >\$1.0M	Director of Budgets	Director of Procurement	VP Business/CFO and Board of Public Works	President/Board
Procurement: State Capital Funds	Director of Procurement	Director of Budgets	VP Business/CFO and Board of Public Works	President
Facility and Service Agreements with HSMC	HSMC	VP Business/CFO	President	Board
Various Memoranda of Understanding and Agreements	Unit/Department Head	Impacted VP and VP Business/CFO	President	
<b>Information Technology</b>				
IT Master Plan (Required by State)	AVP Office of Information Technology and VP Business/CFO	President	Board	
IT Security Plan (Required by State)	AVP Office of Information Technology and VP Business/CFO	President	Board	
<b>Facilities</b>				
Facilities Master Plan	VP Business/CFO	President	Board	
Building Designs	VP Business/CFO	President	Board	
Building Programs	VP Business/CFO	President	Board	
Acquisition/Disposal of Real Property	VP Business/CFO	President	Board	
Annual Facilities Condition Report	VP Business/CFO	President	Board	
Note 1: Requires final approval by Board of Public Works				
<b>Human Resources</b>				
Appointment - Staff (Department Head and Below)		Unit Head	VP of unit	President/Board
Appointment - Staff (Assistant VP and Above)		VP of Unit	President	Board
Appointment - Faculty		Division Head	Provost	President/Board
Termination - Staff		VP Business/CFO	President	Board
Termination - Faculty (IAW Bylaws)	Division Head	Provost	President	Board
Contract Renewal - Probationary Status to Permanent FT Employees		Human Resources	VP of unit	President/Board
Create New Position		VP Business/CFO	President	Board
Union Agreement AFSCME		VP Business/CFO	President	Board
Staff Salary Plan	VP Business/CFO	President	Board	
Employee Handbook Revisions	VP Business/CFO	President	Board	
Modifications to Retirement Plans	VP Business/CFO	President	Board	
Staff Senate Bylaw Revisions	Staff Senate/VP Business/CFO	VP Business/CFO and President	Board	
Various Human Resources Policies	VP Business/CFO	President	Board	
Faculty Bylaws	Faculty and Provost	President	Board	
<b>Reporting to Government Agencies</b>				
Managing for Results Submission (MFR)	Director of Institutional Research/Provost	VP Business/CFO and President	Board	
Performance Accountability Report (PAR)	Director of Institutional Research/Provost	VP Business/CFO and President	Board	
Cultural Diversity Report	Chief Diversity Officer and VP Equity and Strategic Initiatives	VP Equity and Strategic Initiatives and President	Board	
<b>Academic Affairs</b>				
Faculty Reappointment, Tenure, Promotion	Provost	President	Board	
Curriculum Changes, Majors and Minors	Faculty and Provost	President	Board	
Study Abroad Sites, SMCM as primary operator		Provost	President	Board
Academic Policy Changes	Faculty and Provost	President	Board	
<b>Student Affairs</b>				
Student Trustee-in-Training Selection	VP Student Affairs	President	Board	
Cleary and Crime Statistics Reporting	Public Safety	VP Student Affairs	President	Board
<b>Advancement</b>				
Capital or Comprehensive Campaigns	VP Advancement	President	Board	Foundation Board
Named Opportunities Less than Building	VP Advancement and VP Business/CFO	VP Advancement	President	Board
Named Opportunities Building	VP Advancement and VP Business/CFO	President	Board	
Note 1: Requires final approval by Board of Public Works				
<b>Enrollment Management</b>				
Admission Policies	VP Enrollment Management	President	Board	
Financial Aid Award Policies	VP Enrollment Management	President	Board	
<b>Equity and Strategic Initiatives (IDEAA)</b>				
Title IX Policy Changes	VP Equity and Strategic Initiatives	President	Board	
<b>Other Policies</b>				
Revision of any Policy Approved by the Board of Trustees	VP of Unit	President	Board	
Order of the Ark and Dove Award		President	Board	
Conferral of Degrees	Provost	President	Board	
Honorary Degree Recipients		President	Board	

Note: in the event that any item in this Authority Matrix conflicts with specific authorities provided in a Board of Trustees approved policy, then the Board approved policy shall prevail.

**BOARD OF TRUSTEES  
ST. MARY’S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
ACTION ITEM II.D.1.  
APPROVAL OF THE FY23 CURRENT FUND (OPERATING) BUDGET**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the attached current fund (operating) budget for FY23.

**RATIONALE**

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached FY23 current fund budget will allow the College to continue its mission of providing a high quality, public, post-secondary education.

**St. Mary's College of Maryland**  
**FY23 Operating Budget**  
**Supporting Documentation Table of Contents**

Exhibit A	FY23 Current Fund (Operating) Unrestricted and Restricted Budget for Board of Trustees Approval
Exhibit B	Important Assumptions
Exhibit C:	FY23 Budget Proposed (Leadsheet) for Board of Trustees Approval (This schedule describes revenues by source and all expenditure items by type for the Current Fund Unrestricted.)
Exhibit D:	FY23 Current Fund Unrestricted (CFU) Budgeted Revenue by Source
Exhibit E:	FY23 CFU Budgeted Expenditures by Program
Exhibit F:	FY23 CFU Budgeted Expenditures by Object
Exhibit G:	Five-Year Comparative Expenditures by Program
Exhibit H:	Five-Year Comparative Expenditures by Object
Exhibit I:	Reconciliation of State Appropriation
Exhibit J:	FY23 CFU Budget for Contingency Items This schedule provides information about the contingency funds included in the current fund unrestricted budget.
Exhibit K:	FY23 CFU Planned Expenditures Greater Than \$100,000 Each Required by the Board approved Budget Policy, this schedule displays anticipated operating budget expenditures for goods/services to a single vendor greater than \$100,000 each.

# Exhibit A

## St. Mary's College Of Maryland FY23 Current Fund (Operating) Budget

	FY23 Current Fund Unrestricted (CFU)		FY23 Current Fund Restricted (CFR)	
	Proposed Budget	% of Total	Proposed Budget	% of Total
<b>Revenue</b>				
Tuition	20,714,380	27.2%		0.0%
Fees	3,224,563	4.2%		0.0%
State Grant (Appropriation)	32,314,926	42.4%		0.0%
Gifts and Grants	0	0.0%	4,500,000	100.0%
Sales and Services-Educational	812,675	1.1%		0.0%
Endowment/Investment	382,500	0.5%		0.0%
Foundation Unrestricted Support	75,000	0.1%		0.0%
Sales and Services-Auxiliary	18,384,519	24.1%		0.0%
Other	254,400	0.3%		0.0%
<b>Total Revenue</b>	<b>76,162,963</b>	<b>100.0%</b>	<b>4,500,000</b>	<b>100.0%</b>
<b>Expenditures</b>				
Instruction	21,356,071	28.0%	480,682	10.7%
Research	0	0.0%	166,598	3.7%
Public Service	423,928	0.6%	12,346	0.3%
Academic Support	1,952,665	2.6%	12,333	0.3%
Institutional Support	15,486,629	20.3%	455,164	10.1%
Student Services	9,835,015	12.9%	251,521	5.6%
Plant Operation and Maintenance	5,540,304	7.3%	349,208	7.8%
Scholarships/Grants	8,690,395	11.4%	2,772,148	61.6%
Auxiliary Enterprises	15,021,999	19.7%	0	0.0%
<b>Total Expenditures</b>	<b>78,307,006</b>	<b>102.8%</b>	<b>4,500,000</b>	<b>100.0%</b>
<b>Transfers In (Out)</b>				
Debt Funded Transfers	2,144,043	2.8%	0	0.0%
Quasi Endowment	0	0.0%	0	0.0%
<b>Total Transfers</b>	<b>2,144,043</b>	<b>2.8%</b>	<b>0</b>	<b>0.0%</b>
<b>Total Expenditures and Transfers</b>	<b>76,162,963</b>	<b>100.0%</b>	<b>4,500,000</b>	<b>100.0%</b>
<b>Budget Year Increase (Decrease in Fund Balance)</b>	<b>0</b>		<b>0</b>	
<b>Total Increase (Decrease) in Fund Balance</b>	<b>0</b>		<b>0</b>	

Note 1: Please refer to attached schedules for more information.

Note 2: For FY22, the CFU expenditure budget contains \$1,772,627 in contingency funds.

July Action Item FY23 Current Fund Total		Prior Year Beginning Budget FY22 Current Fund Total			
Proposed Budget	% of Total	June 2021 Budget	% of Total	\$ Change	% Change
20,714,380	25.7%	20,453,526	26.9%	260,854	1.28%
3,224,563	4.0%	3,099,542	4.1%	125,021	4.03%
32,314,926	40.1%	29,612,759	39.0%	2,702,167	9.13%
4,500,000	5.6%	4,500,000	5.9%	-	0.00%
812,675	1.0%	812,675	1.1%	-	0.00%
382,500	0.5%	179,000	0.2%	203,500	113.69%
75,000	0.1%	75,000	0.1%	-	
18,384,519	22.8%	16,999,498	22.4%	1,385,021	8.15%
254,400	0.3%	254,400	0.3%	-	0.00%
<b>80,662,963</b>	<b>100.0%</b>	<b>75,986,400</b>	<b>100.0%</b>	<b>4,676,563</b>	<b>6.15%</b>
21,836,753	27.1%	18,822,165	25.5%	3,014,588	16.02%
166,598	0.2%	166,598	0.2%	-	0.00%
436,274	0.5%	458,828	0.6%	(22,554)	-4.92%
1,964,998	2.4%	1,730,556	2.3%	234,442	13.55%
15,941,793	19.8%	15,382,890	20.8%	558,903	3.63%
10,086,536	12.5%	9,177,681	12.4%	908,855	9.90%
5,889,512	7.3%	5,069,658	6.9%	819,854	16.17%
11,462,543	14.2%	10,747,929	14.6%	714,614	6.65%
15,021,999	18.6%	14,430,095	19.5%	591,904	4.10%
<b>82,807,006</b>	<b>102.7%</b>	<b>75,986,400</b>	<b>102.9%</b>	<b>6,820,606</b>	<b>8.98%</b>
2,144,043	2.7%	2,144,043	2.9%		
0	0.0%	0	0.0%		
<b>2,144,043</b>	<b>2.7%</b>	<b>2,144,043</b>	<b>2.9%</b>	<b>11,497,169</b>	
<b>80,662,963</b>	<b>100.0%</b>	<b>73,842,357</b>	<b>100.0%</b>		
<b>0</b>					
<b>0</b>					

**FY2023 Key Budget Assumptions****REVENUES**

The FY23 revenue budget has increased \$4.67M (6.15%) over the FY22 revenue budget (original), primarily due an increase in State support and auxiliary enterprise revenues. The FY23 budget is based on 1,430 full-time students. Enrollment counts are budgeted at 100% of projected totals. Tuition rates are flat over equivalent FY22 levels for both resident and non-resident students.

The State appropriation increases \$2.7M over FY22 representing the Block Grant inflator, the annualization of previous and current year COLA salary funding, healthcare insurance cost increases, Performing Arts Center and Learning Commons operational funding, as well as a supplement of \$400K specifically for additional need-based scholarship awards. Overall, State support increases 9.13%.

Auxiliary enterprise revenue increases \$1.4M as residence hall rates increase 2%, dining rates increase 4%, and student counts for dining and residence occupancy recover from COVID-19 related plan changes. The St. Mary's College of Maryland Foundation provides \$75K in unrestricted support.

**EXPENDITURES**

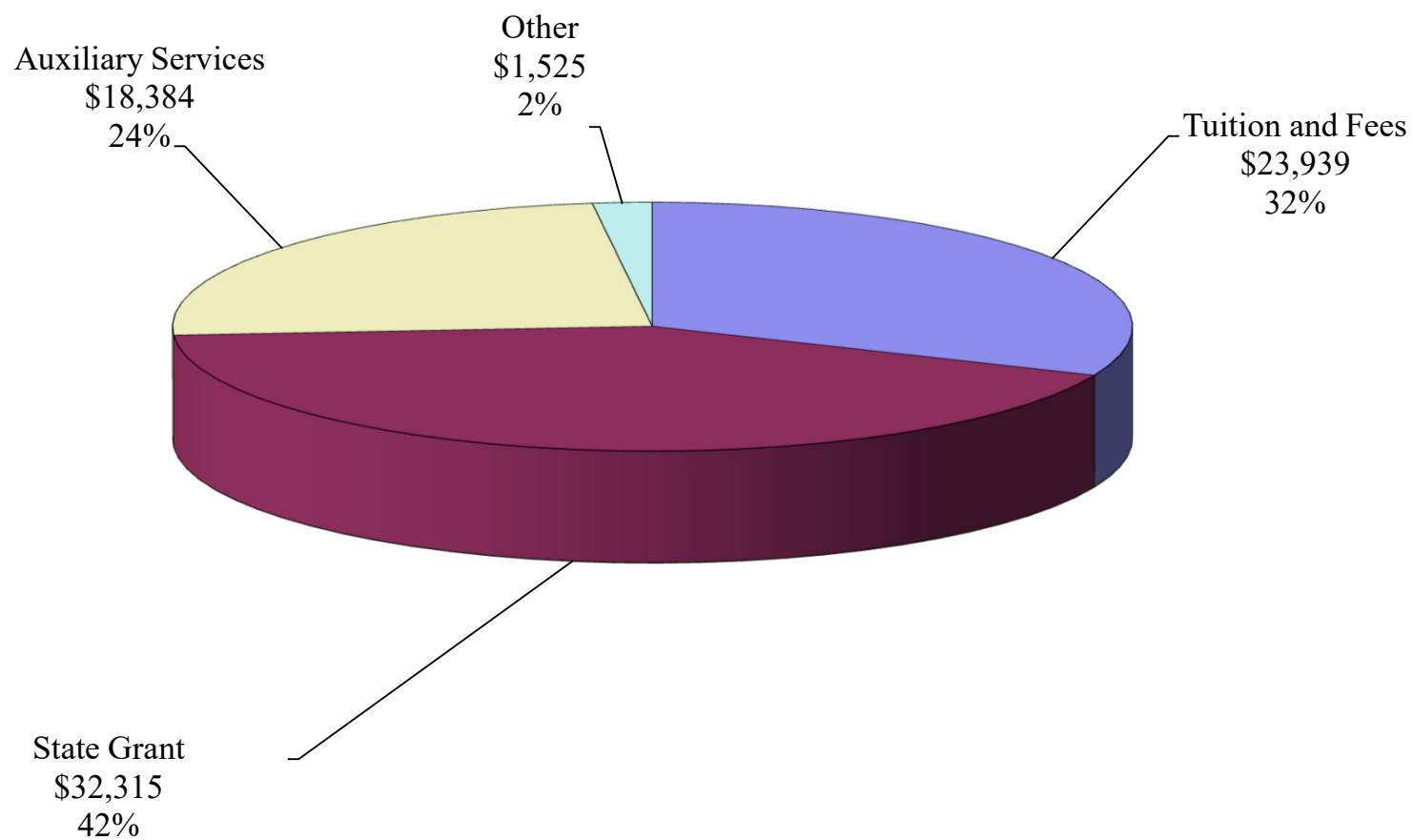
The FY23 current fund unrestricted expenditure budget, detailed in Exhibit A, increases a total of \$6.8M (8.98%) over the FY22 expenditure budget consisting of new required expenditures, a salary pool for faculty and staff wage increases, 1.5% COLA for all permanent employees, annualizations of prior year salary changes, operational budget changes due to the opening of the Performing Arts Center and Learning Commons, and the results of the Strategic Resource Initiative additions.

Permanent approved position counts are 401.

# Exhibit C

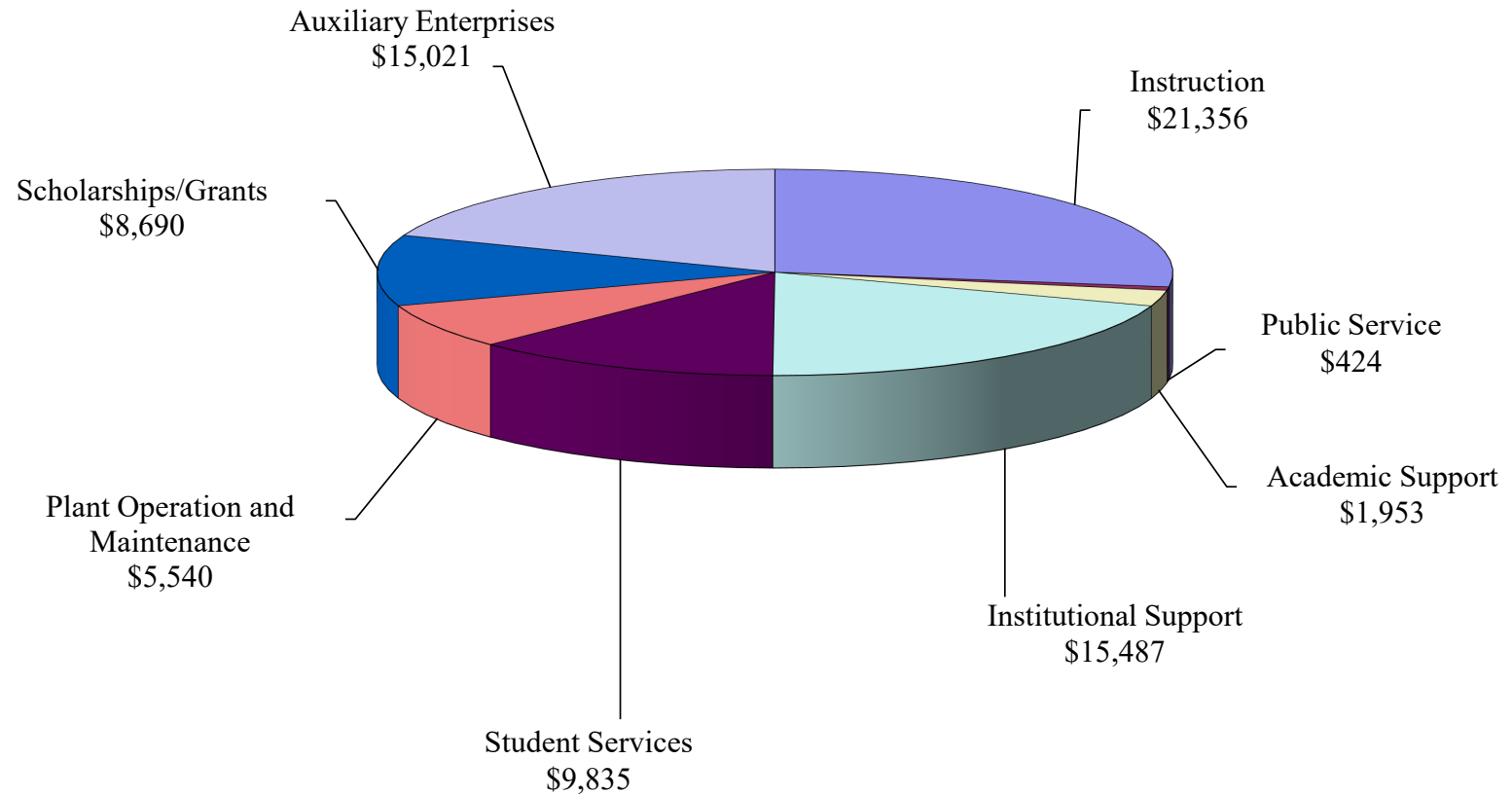
ST. MARY'S COLLEGE OF MARYLAND			
PROPOSED FY23 BUDGET	FY22 Budget BOT Approved May 3, 2021	FY23 Budget for BOT Approval	
<b>REVENUE:</b>			
Tuition	\$20,453,526	\$20,714,380	0% tuition increase for all categories (390 new/85 transfer (475), total headcount 1,430)
Fees	\$3,099,542	\$3,224,562	2% increase
State Appropriations - General Fund	\$29,612,759	\$31,277,469	
Increase GFG for NABA Operational Expenses		\$637,457	
Additional need-based scholarship funding		\$400,000	
Auxiliary Enterprises (includes room, board, bookstore operations)	\$16,999,498	\$18,384,519	2% room increase, 4% board (dining) increase
Sales and Services - Educational (conference revenues, foreign program fees, non-credit tuition)	\$812,675	\$812,675	
Quasi-Endowment / Interest Income (\$95K from Quasi endow, balance from MD interest)	\$179,000	\$382,500	Higher interest returns
Foundation Unrestricted Support	\$75,000	\$75,000	
Debt funded Transfer ( Osprey and Eagle named professorships)		\$2,144,043	
Other (career center reg fees, faculty housing revenue, miscellaneous)	\$254,400	\$254,400	
<b>Total Revenues</b>	<b>\$71,486,400</b>	<b>\$78,307,005</b>	
<b>EXPENSE:</b>			
Base Budgets			
Operating (supply/expense, non-personnel)	\$15,327,604	\$15,963,522	Reflects revised, final SRI total, minus bond offload (\$493,476), plus NABA expenses (\$95K)
Utilities	\$3,237,718	\$3,741,218	Includes \$228K for NABA utilities plus fuel cost increase for College, \$500K total increase from FY22
Institutional Expense (institutional contingency, plant/auxiliary contingency, insurance)	\$499,789	\$623,831	Insurance expense increases
Debt Services	\$3,869,549	\$3,811,841	Actual bond/debt service cost for FY23
Dining Services (Bon Appetit costs)	\$4,416,345	\$4,655,827	Revised after Bon Appetit budget discussions for FY23
Bookstore Operations	\$967,631	\$816,027	Revised after discussions with bookstore manager
Tuition Waivers	\$782,683	\$782,683	
Total Scholarships	\$7,363,884	\$8,078,499	Incremental increase in aid, plus \$400K State need-based aid
Sub Total (non-personnel)	\$36,465,203	\$38,473,448	
Personnel - Wages (includes \$275K of Foundation offsets)	\$25,879,776	\$28,179,697	Accounting for all faculty/staff equity, promotion actions/0.5% COLA FY22/\$270K for NABA personnel expenses
Personnel - Benefits	\$10,454,359	\$11,254,799	
1.5% COLA effective 7/1/2022	\$261,046	\$419,050	SMCM provides 1.5% for total 3% State approved COLA increase, effective 7/1/22
Related FICA and Pension	\$49,599	\$67,048	
Other wage changes (faculty, overtime, shift, vacation, savings, Foundation offset)		-\$87,037	Wage change offsets, calculated by State
Osprey and Eagle named professorship savings - private funding offset	-\$1,623,583		
Sub Total (Personnel)	\$35,021,197	\$39,833,557	
<b>Total Expenses</b>	<b>\$71,486,400</b>	<b>\$78,307,005</b>	
<b>(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	

# **SMCM FY23 Operating Budget** **CFU Revenues by Source (\$000s)**



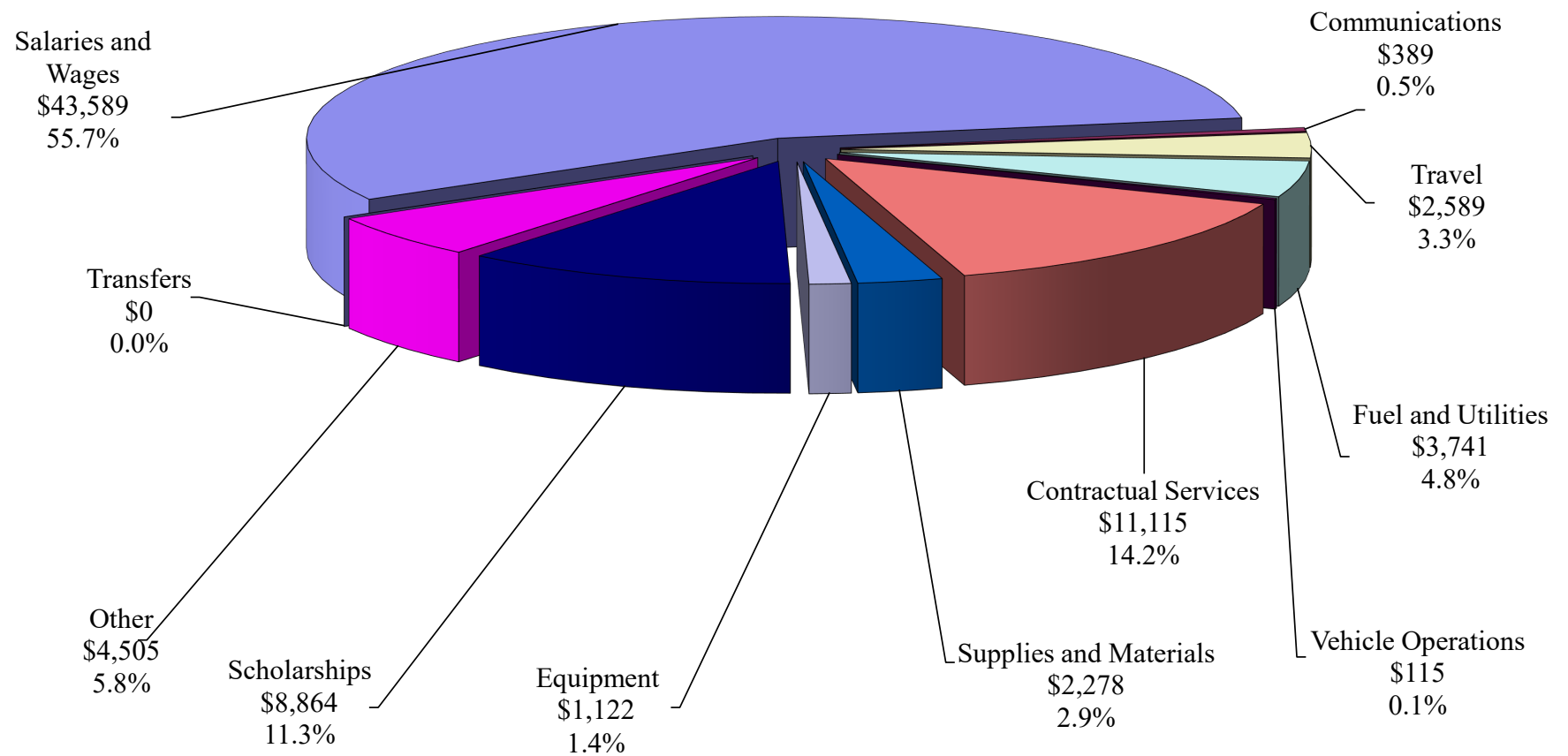
## SMCM FY23 Operating Budget

### Unrestricted Expenditures by Program (000's)



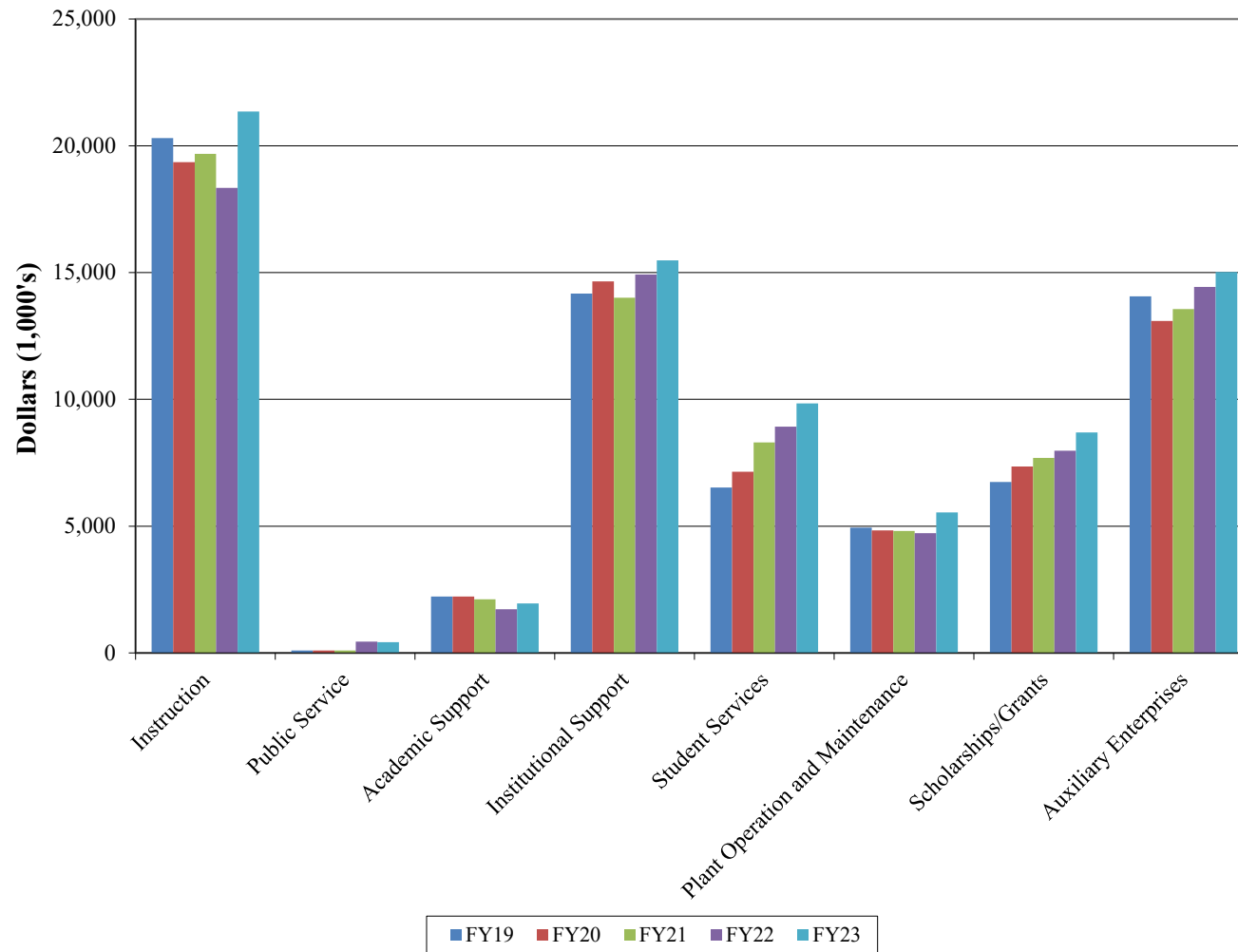


**SMCM FY23  
Operating Budget  
Unrestricted Expenditures by Object  
(\$000s)**

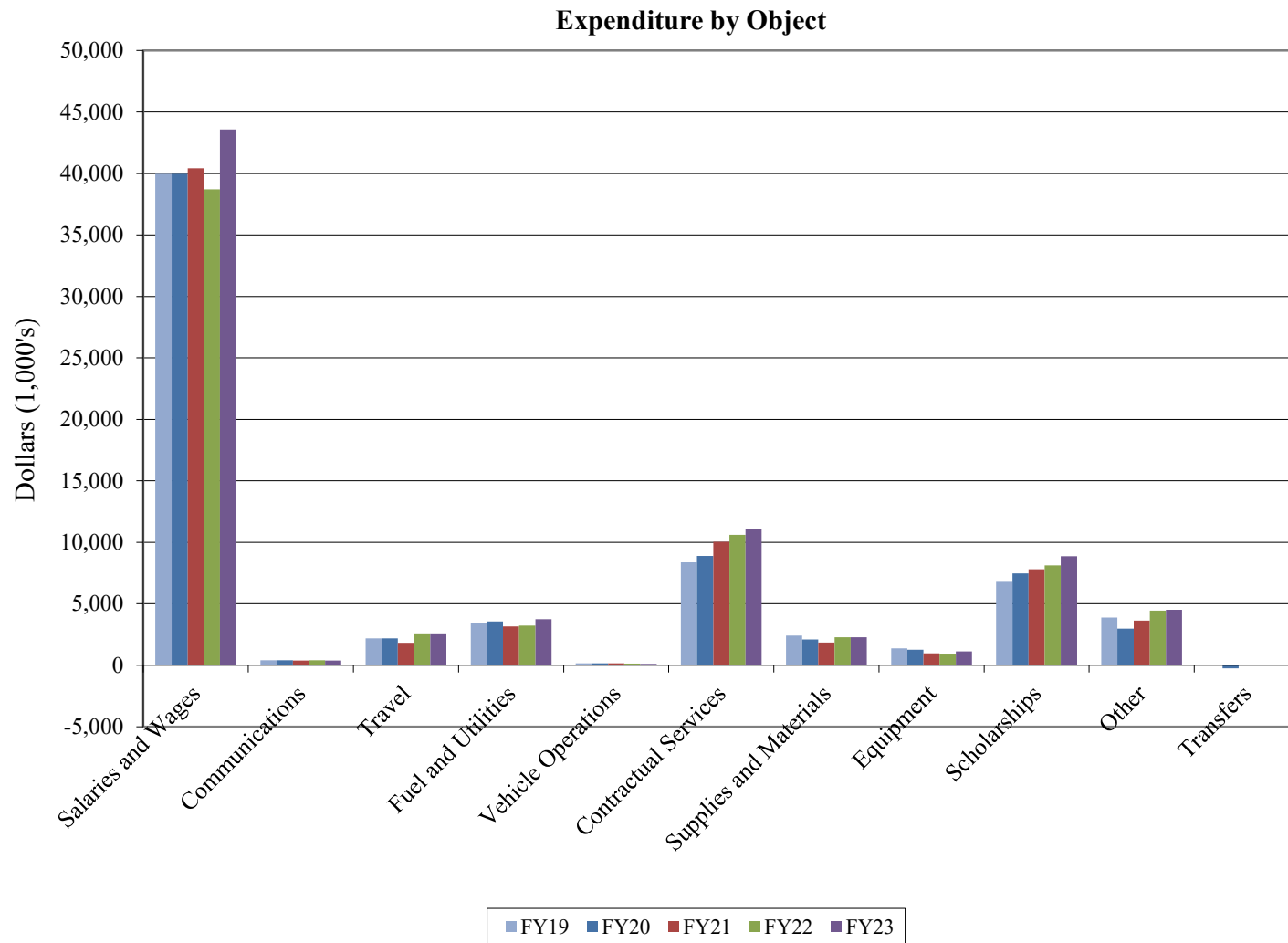


# SMCM Five-Year Operating Budgets

## Program of Expenditure



# SMCM Comparative Operating Budget



**St. Mary's College of Maryland**  
**FY23 Operating Budget**  
**Reconciliation of State Appropriation (General Fund Grant)**

	<b>Results of 2022 Legislative Session</b>
Beginning Base for FY22	\$29,612,759
Inflator	\$703,303
Net Formula Update	\$470,566
Beginning Base for FY23	<u>\$30,786,628</u>
<u>FY23 Adjustments</u>	
FY22 Wage Increment and Inflator	\$490,841
FY23 Allowance for NABA Operational Impacts	\$637,457
FY23 Additional Need-Based Aid	\$400,000
Total Adjustments	<u>\$1,528,298</u>
Allowance	<u>\$32,314,926</u>
FY22 General Fund Grant Total	\$32,314,926

**St. Mary's College of Maryland**  
**FY23 CFU Contingency Items**

<b>Item</b>	<b>Amount</b>
Institutional Contingency Balance	300,000
 Institutional Contingency Amount	 <u>300,000</u>
 <u>Study Abroad</u>	
International Signature Programs	<u>1,267,079</u>
Study Tours	<u>200,000</u>
<i>(Both international programs and tours are offset by anticipated revenues.)</i>	
Total Contingency Items	<u><u>\$ 1,767,079</u></u>

**St. Mary's College of Maryland**  
**FY22 CFU Planned Expenditures Greater Than \$100,000 Each to a Single Vendor**

Description	Vendor	Estimated Amount
<b><u>IT and Library Related</u></b>		
Administrative Software	Anthology	\$523,675
University of Maryland Academic Telecommunication System - Internet	Network Maryland	\$120,000
Life Cycle Replacements	Dell	\$260,000
Administrative Systems	Jenzabar	\$130,000
Library Management System	USM and Affiliated Institutions (USMAI)	\$135,000
Library Databases	Lyasis	\$190,000
Library Serials	Ebsco	\$265,000
		<b><u>\$1,623,675</u></b>
 <b><u>Maintenance and Utilities</u></b>		
Housekeeping Services	Shine Brite	\$220,000
Sewage Services	METCOM	\$285,000
Electricity	SMECO	\$1,600,000
Postage	US Postal Service	\$142,000
Heating Oil	Birch Oil	\$740,940
Trash Disposal	Waste Management	\$120,000
		<b><u>\$3,107,940</u></b>
 <b><u>Auxiliaries, International, and Miscellaneous</u></b>		
Bookstore Cost of Goods Sold	Nebraska Book Company	\$90,000
Marketing	Creative Communications	\$300,000
Strategic Search	Enrollment Management	\$150,000
Food Service Contract	Bon Appetit	\$4,578,350
Bus Service, Athletics Teams	Keller Transportation	\$158,000
Publication Printing	Awarded among a pool of three (Carter, Tray Printing, or Schmitz Press)	\$200,000
		<b><u>\$5,476,350</u></b>
		<b><u>\$10,207,965</u></b>
	Grand Total	

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
ACTION ITEM II.D.2.  
APPROVAL OF THE FY23 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, contingent upon a favorable endorsement by the Technology, Buildings, and Grounds Committee at its May 13, 2022 meeting, of the proposed FY23 Plant Budget in the amount of \$1.403M. The sole source of funding comes from the student facility fee.

**RATIONALE**

The Technology, Buildings, and Grounds Committee is charged with the responsibility to establish priorities for capital projects. The Committee will consider the proposed Priority A FY23 Plant Projects as shown in the attached schedule. Background information is attached and includes a cost breakdown by priority categories and a listing of FY23 plant budget projects.

**ST. MARY'S COLLEGE OF MARYLAND  
FY23 PLANT PROJECT SUMMARY  
PRIORITY A PROJECTS LIST**

	<b>Estimated Cost</b>
<b>Major Capital Projects</b>	
Miscellaneous Capital Projects < \$200,000	\$ 110,000
<i>Subtotal</i>	\$ 110,000
<b>Maintenance and Repair</b>	
Michael P. O'Brien ARC Partial Roof Replacement	\$ 300,000
Miscellaneous Maintenance and Repair Projects < \$200,000	\$ 516,488
<i>Subtotal</i>	\$ 816,488
<b>Program Support</b>	
Miscellaneous Projects < \$200,000	\$ 197,000
<i>Subtotal</i>	\$ 197,000
<b>Residence Hall Renewal Program</b>	
Crescents New Furniture Phase 1	\$ 200,000
Miscellaneous Residence Hall Projects < \$200,000	\$ 80,000
<i>Subtotal</i>	\$ 280,000
<b>FY21 PRIORITY A PROJECTS</b>	<b>\$1,403,488</b>



**ST. MARY'S COLLEGE OF MARYLAND**  
**FY23 PLANT PROJECT SUMMARY**

<b>PROJECT</b>	<b>ESTIMATED COST</b>
<b><u>CAPITAL PROJECTS</u></b>	
Goodpaster Hall - Design	\$60,000
Montgomery Hall - Intermediate use of vacanted music space	\$50,000
<b>TOTAL COST OF CAPITAL PROJECTS</b>	<b>\$110,000</b>
<b><u>MAINTENANCE &amp; REPAIR</u></b>	
Miscellaneous Maintenance and Repair Projects - unknown	\$50,000
Plant Contingency	\$41,488
Campus Wide - Roof repairs	\$50,000
Campus Wide - Building Automation	\$20,000
Michael P. O'Brien ARC Partial Roof Replacement	\$300,000
Lewis Quad - HVAC and Mechanical Upgrade Phase 2 of 3 (8 units)	\$125,000
Montgomery Hall - Foundation Repair	\$20,000
Traditional Residence Halls - Fire Alarm Phase 3 of 3	\$85,000
Crescents - Window Replacement	\$125,000
<b>TOTAL COST OF MAINTENANCE AND REPAIR PROJECTS</b>	<b>\$816,488</b>

**ST. MARY'S COLLEGE OF MARYLAND**  
**FY23 PLANT PROJECT SUMMARY (CONTINUED)**

<b>PROJECT</b>	<b>ESTIMATED COST</b>
<b><u>PROGRAM SUPPORT</u></b>	
Boyden Gallery - Lighting System Repair	\$20,000
River Center - Rowing Center Partial Door Replacement	\$10,000
Kent Hall - Installation of Water Fountain/Bottle Filling Station	\$2,000
Campus Wide - Replace/Update Automatic Door Openers - Phase 1 - Montgomery Hall	\$5,000
O'Brien ARC - Rescreen Athletic Courts	\$15,000
O'Brien ARC - Aquatic Center Pool Chemical Feeder Replacement	\$70,000
Miscellaneous Enhancements - unknown	\$15,000
Campus Bookstore and Daily Grind - Lighting Upgrade	\$10,000
Admissions - Outdoor Lighting Project	\$10,000
Miscellaneous Site Improvement Projects - unknown	\$10,000
Wayfinding Signage Phase 1	\$20,000
Great Room - Furniture Restoration Phase 1	\$10,000
<b>TOTAL COST OF PROGRAM SUPPORT PROJECTS</b>	<b>\$197,000</b>
<b><u>RESIDENCE HALL RENEWAL PROGRAM</u></b>	
Miscellaneous Residence Hall Repairs	\$30,000
Crescents - New Furniture Phase 1	\$200,000
Caroline Hall - Interior Refresh	\$50,000
<b>TOTAL COST OF RESIDENCE HALL PROJECTS</b>	<b>\$280,000</b>
<b>TOTAL COST OF PRIORITY "A" PROJECTS</b>	<b>\$1,403,488</b>

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
ACTION ITEM II.D.3.  
APPROVAL OF THE FY24-FY28 STATE CAPITAL BUDGET PROPOSAL**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, contingent upon a favorable endorsement by the Technology, Buildings, and Grounds Committee at its May 13, 2022 meeting, of the proposed FY24-FY28 State Capital Funding Proposal.

The proposed FY24-FY28 State-funded capital budget request includes funding of various Campus Infrastructure Improvements, funding for the design and renovation of Montgomery Hall, and initial design costs associated with interior improvements and ADA compliance issues in Calvert Hall.

**RATIONALE**

The attached chart summarizes our FY24-FY28 State Capital Budget proposal and provides a comparison to the Governor's Five-Year Capital Improvement Program. Details follow below.

**Campus Infrastructure Improvements**

This budget continues to fund infrastructure improvements annually in multiple phases. The FY24 allocation of \$2.0M will fund replacement of the Kent Hall HVAC system.

Additional highlighted projects proposed for FY24-FY28 include north campus nodal loop automation upgrades, Schaefer Hall fume hood replacement, masonry restoration and slate roof replacement for the historic campus area, Schaefer Hall controls upgrades, and other projects. The total request for infrastructure projects in FY24 - FY28 is \$10.0M.

Additionally, the FY23 infrastructure allocation of \$5.0M, which was increased by the Governor and legislature from the \$2.0M programmed and required to be fully expended by FY26, will fund campus fiber infrastructure upgrades, the replacement of the Campus Center roof and roof top mechanical units, campus roadway and parking lot improvements, the replacement of the lower Hilda C. Landers Library roof, installation of a Baltimore Hall generator and transfer switches, and other projects.

**Montgomery Hall Renovation**

Montgomery Hall was constructed in 1979 and currently supports programs in English and the fine and performing arts. Except for the Bruce Davis Theater renovation in 2008, Montgomery Hall has only received minor renovations and cosmetic improvements. The College has prioritized Montgomery Hall as the next campus building in need of significant capital funding for renovation.

The 40-year-old structure requires considerable renewal to its systems and updating in support areas, as well space reconfigurations to support and accommodate current deficiencies and future pedagogical needs. The relocation of the Music Department to the Performing Arts Center in 2022 will enable the College to reallocate the vacated space to other programs.

The Governor's CIP recommends \$1.5M for design funding in FY24, advanced from FY25 in the previously approved CIP. The College is further requesting \$10.0M in FY25 to complete design and start renovation, and the final \$28.9M in FY26 construction funds to complete the renovation.

SMCM - Capital Spending Plan FY23-FY30

Design	
Construction	in \$M

Next Request

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
------	------	------	------	------	------	------	------

Infrastructure	State (FY23 CIP)	5.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Hilda C. Landers Library Reimagining	State	4.0							
Montgomery Hall	State		1.5	2.5	28.9				
				7.5					
STEM Goodpaster	State	1.9							
Calvert Hall	State						3.0	12.0	12.0
SMCM	State	10.9	3.5	12.0	30.9	2.0	5.0	14.0	14.0
	College		0	0	0	0	0	0	0
GOVERNOR'S CIP FY23	INFRASTRUCTURE	5.0	2.0	2.0	2.0	2.0	2.0		
	HILDA C. LANDERS LIBRARY	4.							
	MONTGOMERY HALL		1.5	10.0	28.9				
	GOODPASTER HALL	1.9							
	CALVERT HALL							3.0	
	TOTAL	10.9	3.5	12.0	30.9	2.0	5.0		

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
INFORMATION ITEM III.A.  
FY22 FINANCIAL RESULTS TO DATE**

Overall, actual revenue collections are 99.8% of the budgeted level, with sales and services trailing expectations due to the lower than historical study abroad participation, resulting from the impact of the COVID-19 pandemic. Actual expenditures for FY22 are approximately 79% of budgeted expectations. All programs of expenditures fall within expectations for current-to-prior year comparison with the exception of scholarship expense, which is 7.6% over budget. Note that debt service payments (expenses) are approximately \$776K higher this year versus last year as a result of the new 2020 bond action.

See attachments for additional detail.

<b>FY22</b>	<b>Category</b>	<b>Status</b>	<b>YTD Budget to Actual (April 2022)</b>	<b>Remarks</b>
<b>REVENUE</b>				
	State Appropriation		\$29.6M/\$29.6M = 100%	SMCM has received entire General Fund Grant and HEIF for FY22.
	Tuition		\$20.4M/\$20.0M = 98%	\$400K less than budget.
	Fees		\$3.1/\$4.1M = 133%	Awaiting transfer of fee revenue to SGA, will come down to budgeted expectation.
	Sales & Services		\$812K/\$153K = 19%	Expect revenue increase for May/June events, international education down.
	Investment Income		\$84K/\$86K = 102%	Slightly above budgeted expectation.
	Auxiliary Enterprises		\$17.0M/\$17.1M = 101%	On track to budget.
	Foundation, Fund Balance Additions, Other Revenue		\$424K/\$210K = 50%	Will see minor additional revenue prior to year close.
	Overall Revenue		<b>71.5M/\$71.4M = 100%</b>	Tracking precisely to overall budgeted expectations.
<b>EXPENSES</b>				
	Operating (Supply/Expense)		\$17.2/\$12.6M = 73%	Department/unit expenses trending with historical spending.
	Utilities		\$3.2M/\$2.3M = 70%	Awaiting billing, costs down but in line with expectation
	Debt Service		\$3.8M/\$3.8M = 100%	Within expectations, final FY22 payment was made.
	Institutional Expense		\$500K/16K = 3%	Contingency funds not used.
	Dining Services		\$4.4M/\$3.6M = 83%	Expense within expectation
	Bookstore Operations		\$968K/\$716K = 74%	Expense down.
	Scholarships/Tuition Waivers		\$8.1M/\$8.5M = 105%	Larger than anticipated class required additional financial aid.
	Personnel Wages/Benefits		\$35.0M/\$26.6M = 76%	Completely in line with budget.
	Overall Expense		<b>\$73.3M/\$58.1M = 79%</b>	Within expectations.

Tracking, no issues

Acceptable, but monitor periodically

Concern, monitor closely

## April 2022

Leadsheet Line	Classification	Budget	Actual	Actual vs. Budget	Balance	Prior Year	Actual vs. Prior	Actual vs. Prior
A1 State Appropriation	A Revenues	-29,612,759	-29,612,759	100.00%	0	-28,031,899	-1,580,860	5.34%
A2 Tuition		-20,453,526.02	-20,028,632.5	97.92%	-424,893.52	-19,430,025.3	-598,607.2	2.99%
A3 Fees		-3,099,541.9	-4,130,684.76	133.27%	1,031,142.86	-2,938,029.87	-1,192,654.89	28.87%
A4 Sales & Services		-812,675	-152,597	18.78%	-660,078	1,200	-153,797	100.79%
A5 Investment Income		-84,000	-85,984.37	102.36%	1,984.37	-79,087.99	-6,896.38	8.02%
A6 Foundation Unrestricted Support		-75,000	0	0.00%	-75,000	-75,000	75,000	
A7 Other Revenue		-254,400	-208,550.05	81.98%	-45,849.95	-179,082.54	-29,467.51	14.13%
A8 Auxiliary Enterprises		-16,999,498.43	-17,131,636.88	100.78%	132,138.45	-12,072,138.8	-5,059,498.08	29.53%
A9 Additions to Fund Balance		-95,000	-270	0.28%	-94,730	-1,286,636.42	1,286,366.42	-476,432.01%
B1 Operating (supply/expense. non-personnel)		0	-1,040		1,040	-864	-176	16.92%
A Revenues - Summary		-71,486,400.35	-71,352,154.56	99.81%	-134,245.79	-64,091,563.92	-7,260,590.64	
B1 Operating (supply/expense. non-personnel)	B Operating Expenses	17,227,267.99	12,589,483.85	73.08%	4,637,784.14	11,098,472.89	1,491,010.96	11.84%
B11 Utilities		3,240,151.45	2,262,869.41	69.84%	977,282.04	2,072,056.49	190,812.92	8.43%
B12 Institutional Expense		499,790.47	15,836	3.17%	483,954.47	101,686	-85,850	-542.12%
B13 Debt Service		3,869,548.73	3,821,491.26	98.76%	48,057.47	3,045,716.24	775,775.02	20.30%
B14 Dining Services		4,416,344.77	3,665,958.39	83.01%	750,386.38	3,179,519.25	486,439.14	13.27%
B15 Bookstore Operations		967,631.33	715,802.7	73.97%	251,828.63	609,017.74	106,784.96	14.92%
B16 Waivers		782,683.99	555,604.9	70.99%	227,079.09	527,157.25	28,447.65	5.12%
B17 Scholarships		7,363,884.02	7,928,102	107.66%	-564,217.98	6,998,457	929,645	11.73%
B Operating Expenses - Summary		38,367,302.75	31,555,148.51	82.24%	6,812,154.24	27,632,082.86	3,923,065.65	
C20 Wages	C Payroll	25,025,990	19,014,640.17	75.98%	6,011,349.83	19,444,445.22	-429,805.05	-2.26%
C21 Benefits		10,014,204.36	7,565,950.78	75.55%	2,448,253.58	7,656,775.76	-90,824.98	-1.20%
C Payroll - Summary		35,040,194.36	26,580,590.95	75.86%	8,459,603.41	27,101,220.98	-520,630.03	
Overall - Summary		1,921,096.76	-13,216,415.1		15,137,511.86	-9,358,260.08	-3,858,155.02	



**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
INFORMATION ITEM III.B.  
JOINT INVESTMENT ACTIVITIES**

The Foundation's Joint Investment and Advisory Committee met on April 29, 2022 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 documents for information related to the Foundation and College investments.

St. Mary's College of Maryland Foundation

As of March 31, 2022, the total market value of the Foundation's endowment was \$39M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$38M), the Student Investment Group (SIG) account (\$831K), and WesBanco shares (\$271K).

Of the endowment managed by JP Morgan, the fiscal year-to-date decrease in market value of \$755K includes \$466K in contributions, \$664K in income, \$29K increase in investment value, and distributions of \$1.914M. The overall rate of return current fiscal year-to-date is 1.3%. Attached is the consolidated investment statement.

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

The College holds investments totaling \$4.8M consisting of Endowment and Quasi-Endowment. \$3.8M are funds functioning as endowment (Quasi) and \$1.0M represents the Blackistone Endowment. Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$4.7M as of March 31, 2022. Funds are currently invested in a mix of fixed income instruments and equities.

The remaining \$295K of College endowment is currently held in a cash investment pool by the State Treasurer.

**St Mary's College of Maryland Foundation, Inc**  
**Consolidated Investment Statement**  
**for the period July 1, 2021 to March 31, 2022**

	<u>Beginning Market Value</u> <u>7/1/2021</u>	<u>Ending Market Value</u> <u>3/31/2022</u>
<b><u>JP Morgan Portfolio</u></b>		
Endowed Accounts	38,681,437.05	37,922,727
Gift Annuity	1,280,343	1,208,231
Current Funds	4,124,358	3,897,482
<b>Total Investment Accounts Market Value</b>	<b>44,086,138</b>	<b>43,028,440</b>
Endowed Funds Allocated Spending Account	738	720
Gift Annuity Cash Account	6,733	17,980
SGA Investment	669,032	830,744
<b>Total JP Morgan Portfolio</b>	<b>44,762,641</b>	<b>43,877,883</b>
<b><u>Other Assets</u></b>		
Perpetual Trust, PNC	1,746,347	1,689,650
WesBanco shares	281,548	271,513
<b><u>Cash</u></b>		
Checking Account	711,491	1,480,120
Endowment Spending Account	1,256,034	1,656,489
<b><u>Total</u></b>	<b>48,758,062</b>	<b>48,975,654</b>

\*\*\* 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

# St. Mary's College of Maryland

## Endowment Fund

As of 3/31/2022

	<u>6/30/2021 Balance</u>		<u>31-Mar-22</u>	Annualized return
Legg Mason / 1919 Investments - Cash & Equivalent	193,140.56		207,180.04	Cash
Legg Mason / 1919 Investments - Fixed Income	2,483,028.39	Fixed & Cash	2,335,319.31	
Legg Mason / 1919 Investments - Equity Portfolio	1,944,461.73		1,934,886.97	
	4,620,630.68		4,477,386.32	-2.33%
Cash with Treasurer	295,665.98		295,665.98	Cash
<b>Investable Total</b>	<b>4,916,296.66</b>		<b>4,773,052.30</b>	-2.91%
Other Investments	977.50		977.50	
Total Investments 6/30/2020	4,917,274.16		4,774,029.80	

	6/30/2019	6/30/2020	Annual Return	<u>06/30/2021 - Unaudited</u>	
<b><u>Components of Endowment Fund:</u></b>					
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	3,315,949.66		3,897,263.16	
Total	4,142,265.01	4,335,960.66	4.68%	4,917,274.16	8.79%

Asset Allocation *			
Current	Lower	Target	Upper
37.3%	20%	30%	50%
5.9%	0%	5%	10%
52.2%	50%	60%	70%
4.6%	30%	5%	15%
100.0%	100%	100%	145%

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

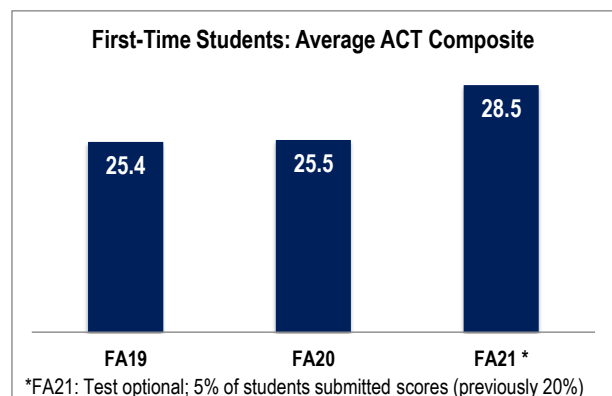
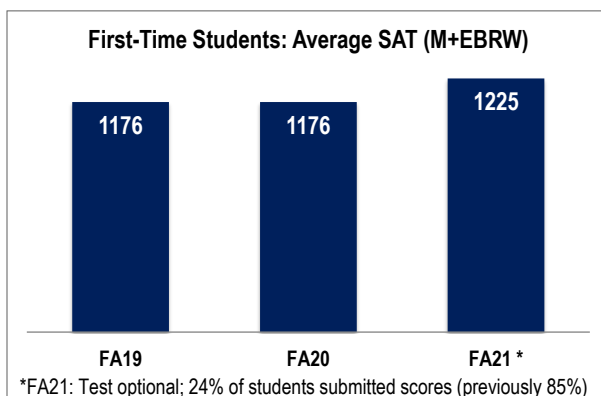
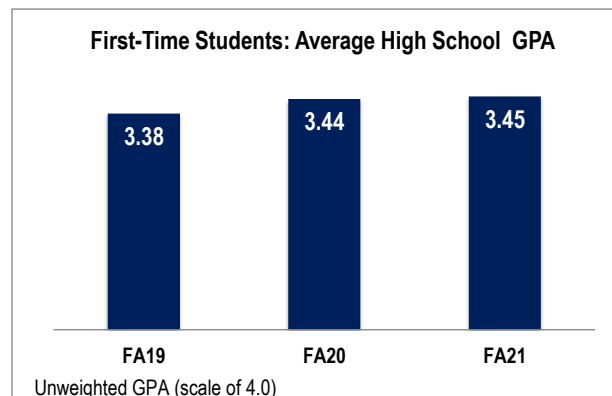
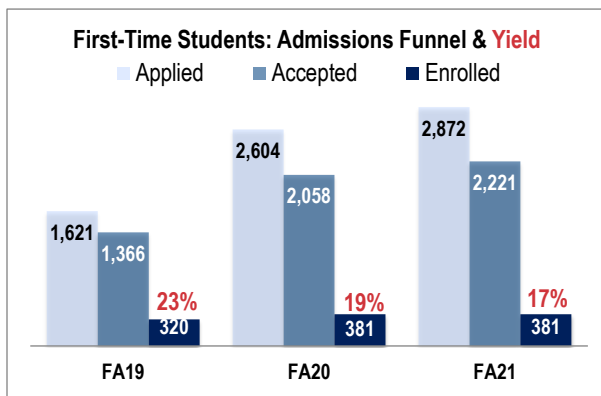
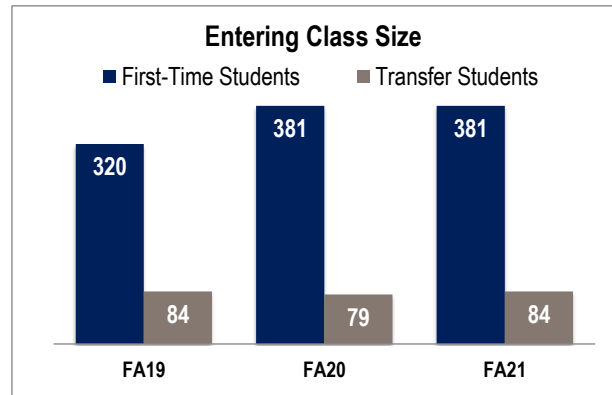
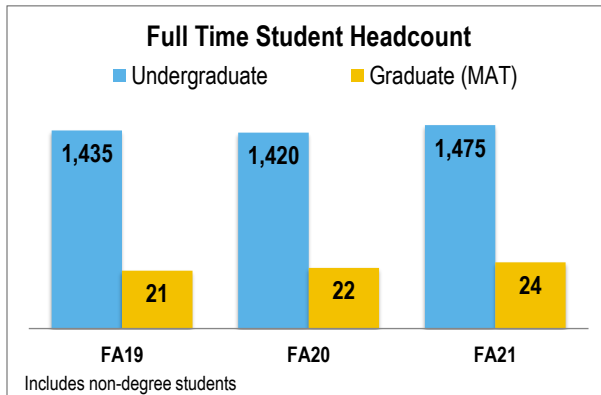
**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 13, 2022  
INFORMATION ITEM III.C.  
REPORTABLE PROCUREMENT ITEMS**

<b>Payee</b>	<b>Description</b>	<b>Amount</b>
Ziger/Snead, LLP	Goodpaster Hall 2nd Floor Renovations – Architectural and engineering design services.	\$166,000
S.E. Davis Construction LLC	Route 5 Pathway Project	\$2,106,377
Maryland Correctional Enterprise	Furniture for the Performing Arts Center and Learning Commons	\$330,503
Garland, dba DBS, Inc	Calvert Hall Roof Replacement	\$1,099,684
Capital Brand Group, LLC	Calvert Hall Electrical and HVAC Upgrade	\$2,604,838

## Board of Trustees Dashboard - May 2022

### Student Characteristics in Enrollment \*\*

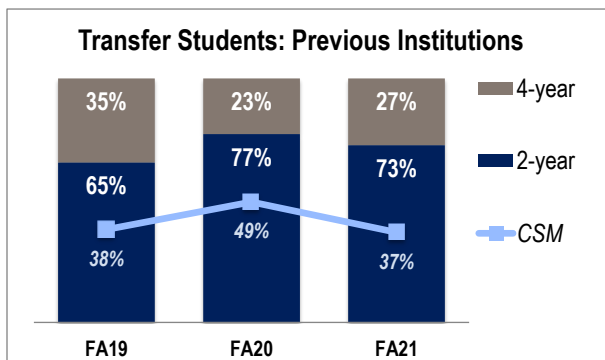
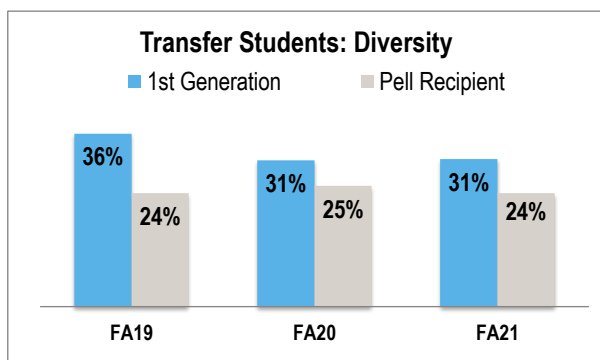
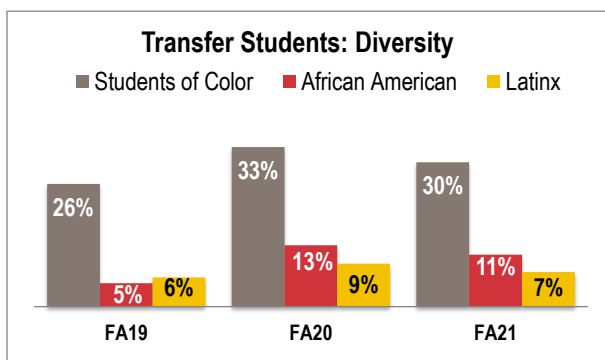
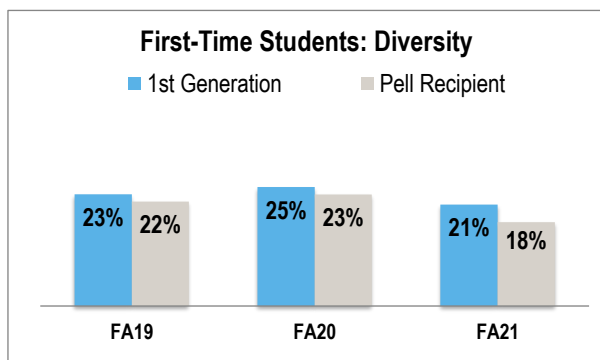
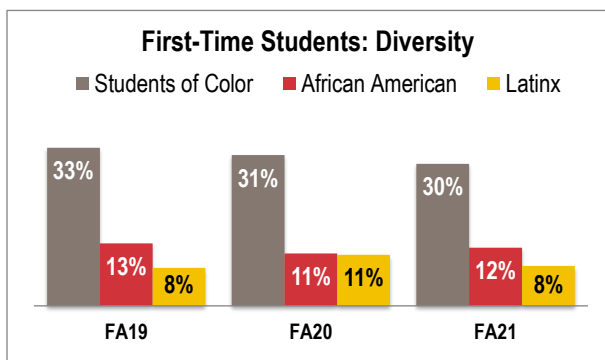
Fall 2021 figures based on final census (freeze) data, 9/27/2021



## Board of Trustees Dashboard - May 2022

### Student Characteristics in Enrollment \*\*

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

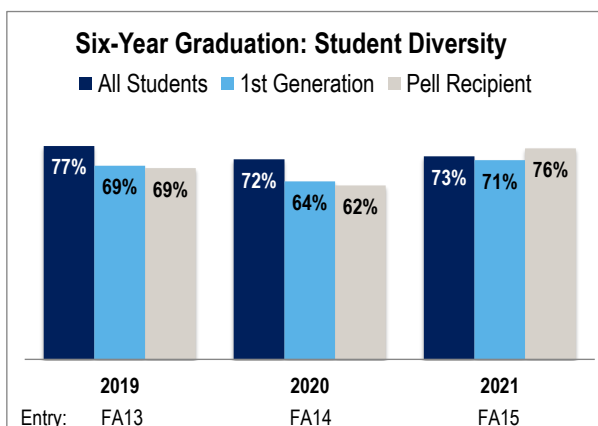
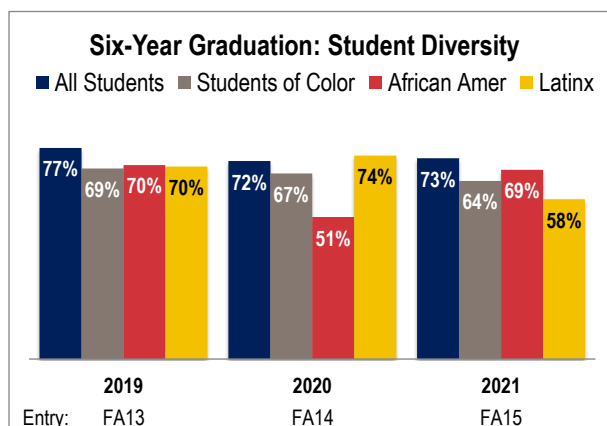
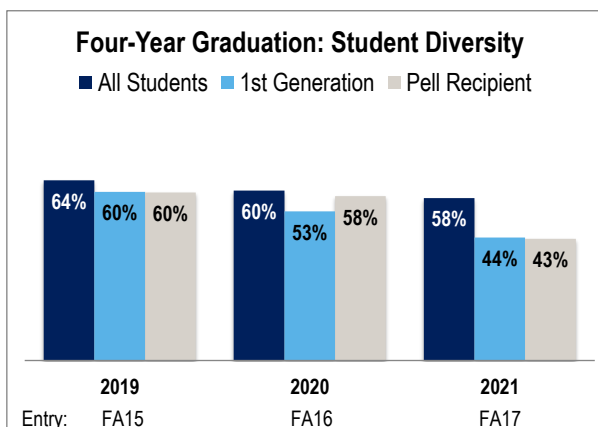
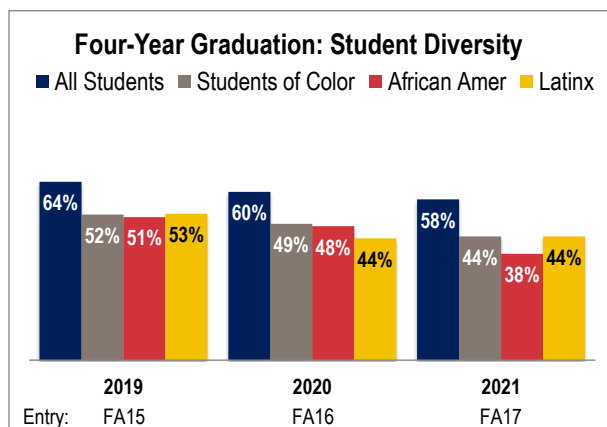
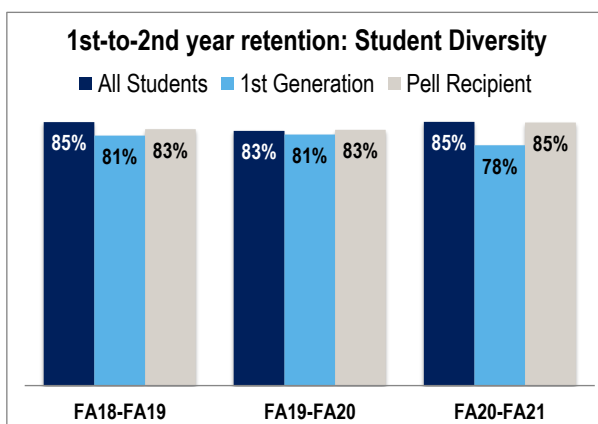
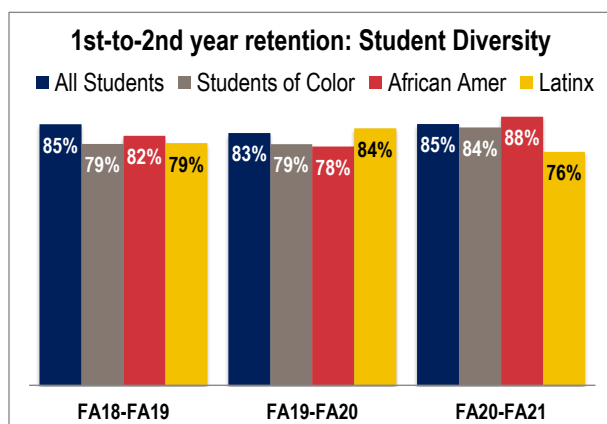


\*\* Goals were temporarily removed for all measures. Revised goals will be established during the strategic planning process.

## Board of Trustees Dashboard - May 2022

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

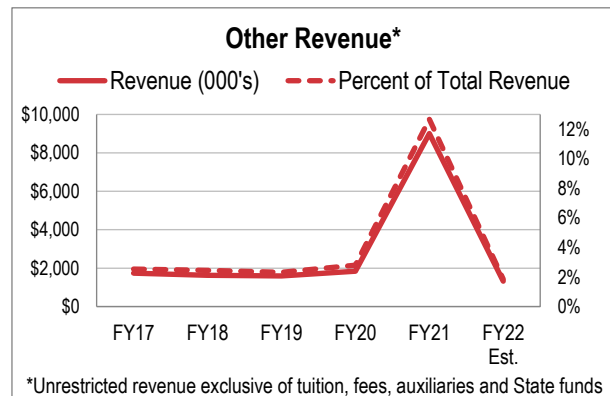
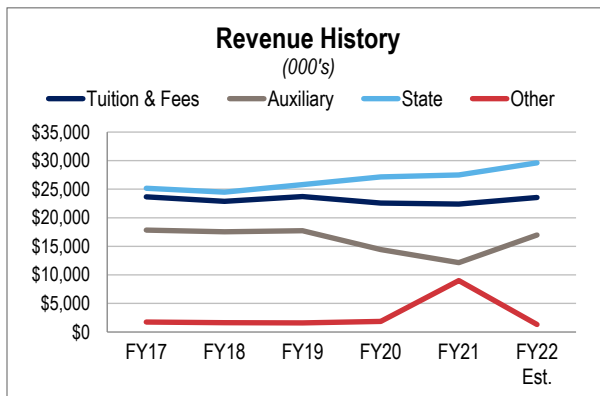
Fall 2021 figures based on final census (freeze) data, 9/27/2021



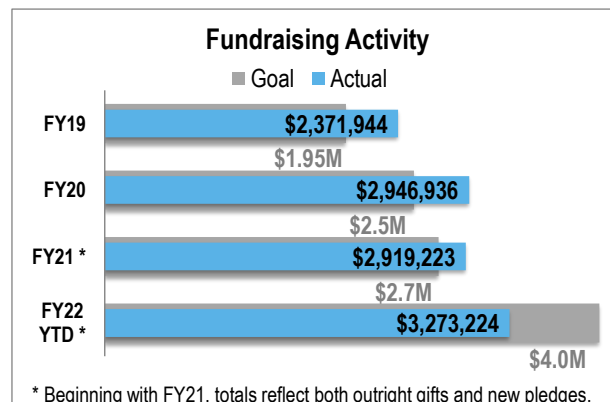
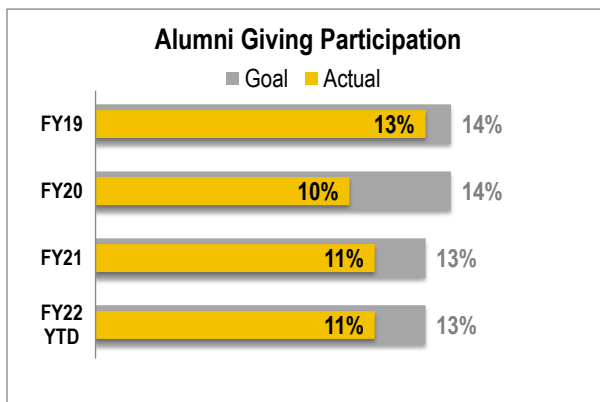
\*\* Goals were temporarily removed for all measures. Revised goals will be established during the strategic planning process.

## Board of Trustees Dashboard - May 2022

### 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).

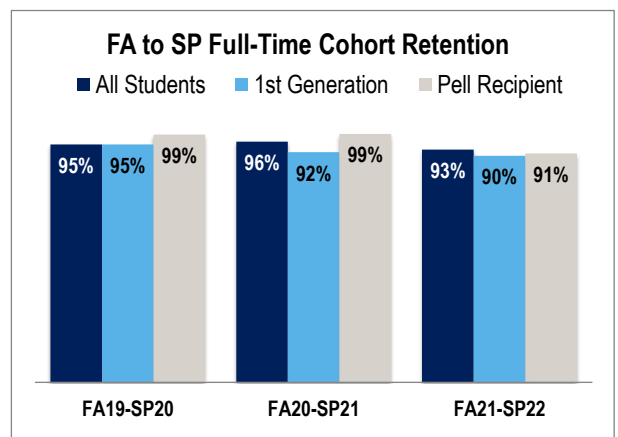
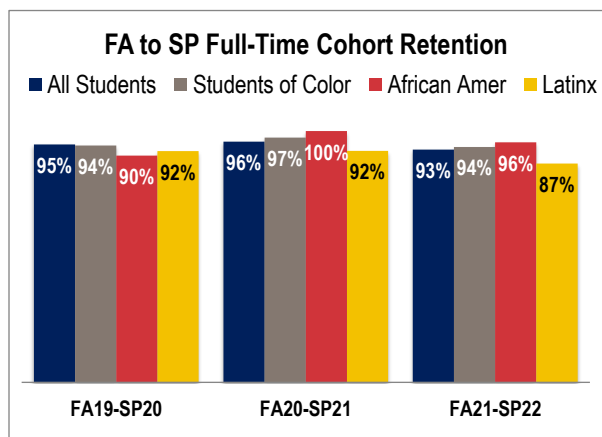
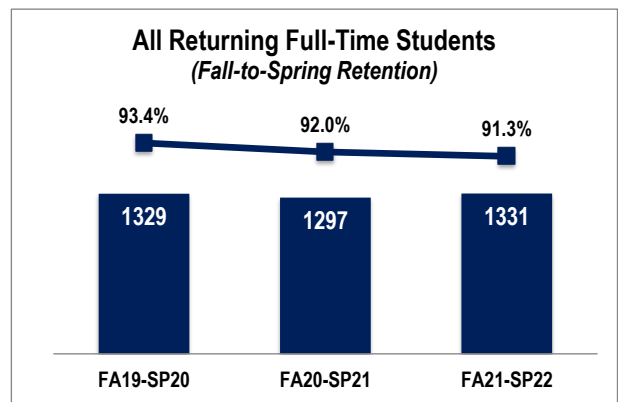
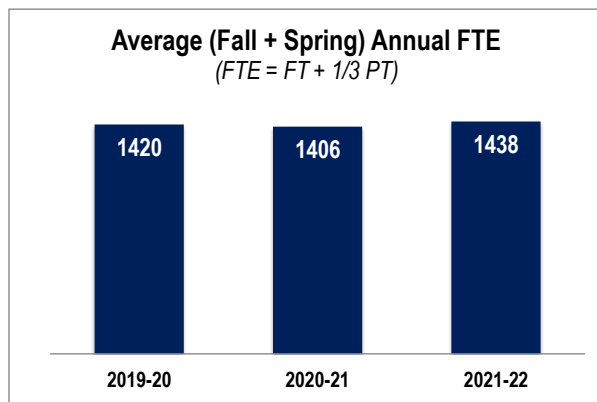
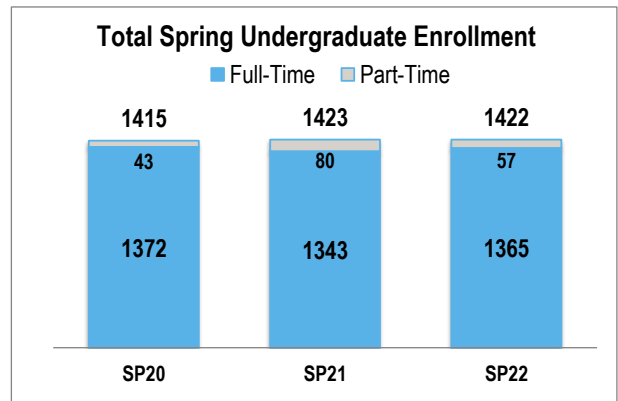
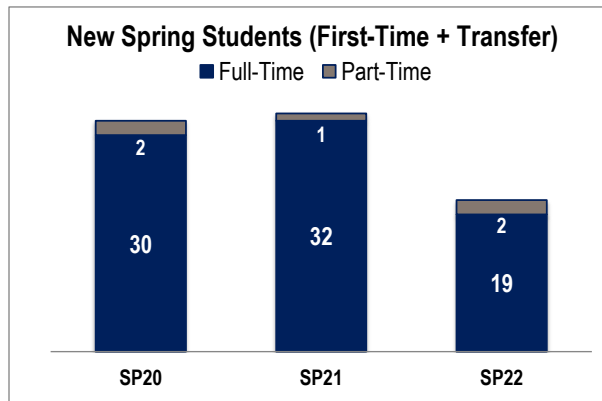




## Board of Trustees Dashboard - May 2022

### Spring Semester Enrollment and Persistence

Spring 2022 figures based on final census (freeze) data, 2/14/2022





**BOARD OF TRUSTEES  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
OPEN SESSION  
MINUTES**

**Date of Meeting:** February 4, 2022

**Status of Minutes:** Approved March 8, 2022

**Committee Members Present:** Committee Chair John Wobensmith '93, John Bell '95, Board Chair Susan Dyer, Sven Holmes, President Tuajuanda Jordan, William Seale, Faculty Finance Delegate Shanen Sherrer, Ray Wernecke

**Committee Members Absent:** Anirban Basu

**Staff Member:** Paul Pusecker

**Others Present:** Nicolas Abrams '99, Joshua Ajanaku '22, Carlos Alcazar, Betsy Barreto, Alice Bonner '03, Donny Bryan '73, Peter Bruns, Kelsey Bush '94, Jeff Byrd, Paula Collins, Carolyn Curry, Peg Duchesne '77, Katie Gantz, Elizabeth Graves '95, Mary Grube, David Hautanen, Gail Harmon, Jerri Howland, Shannon Jarboe, Jenn Kersch, Lawrence Leak '76, Doug Mayer '04, Gretchen Phillips, Jenny Sivak, Danielle Troyan '92, Chris True, Jackie Wright, Anna Yates

**Executive Summary**

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the meeting to order at 1:38 p.m. Attendees participated both in-person and via videoconference.

**Discussion Items**

Operational Funding Request for the Performing Arts Center and Learning Commons Annex

The Performing Arts Center and Learning Commons Annex is scheduled to open in Summer 2022. The College requested a permanent increase to its general fund grant through an over-the-target funding request. The increase would provide funding for the maintenance, operations, and staffing needs of these new buildings. The Governor's FY23 budget recommendation did not include the additional funding; however, subsequent conversations with the Department of Budget and Management leadership have indicated that this was an oversight and that the funding request will be supported and added to the Governor's supplemental funding action. The College is optimistic that this increase will occur in FY23.

Strategic Investments from Bond Proceeds Update

The Board of Trustees approved the primary categories of strategic expenditures from the private market bond and delegated authority to commit these resources to the President at the May 7, 2021 meeting. As presented at the October 14, 2021 Finance, Investment, and Audit Committee meeting, the remaining balance of the bond proceeds was \$16.115M. Subsequently, an additional

\$135K was encumbered, with a balance remaining of \$15.981M. A list of encumbrances anticipated to occur over the next six months was provided to the Committee.

#### FY22 Financial Results to Date

Revenue collections are 77% of the budgeted level, with auxiliary enterprises and tuition recovering from the depressed levels last year. Operating expenditures in FY22 are 11.5% higher than last year, with several areas of expenditures 13.2% to 40.4% higher than the prior year comparison. Debt service is higher due to increased interest expense on the bond issued in March 2021. Dining and bookstore expenses are higher due to the increased on-campus presence this year. Scholarship expense is 14.7% higher than the prior year. Wages and benefit costs for the College are basically level.

#### Faculty and Staff Market-based Increase

Numerous market-based compensation, reclassification, and promotion actions that provided annualized salary increases to faculty and staff took place in January 2022. Over the past several years, financial constraints have prevented the College from adequately addressing base salary, compression, and general wage issues for employees in a comprehensive manner. In recent years, most employee salary increases were limited to the State supported Cost of Living Allowance (COLA) increases. A total of 192 employees received a salary increase, including 67 faculty members. The total annualized cost for these increases approached \$672K. The College plans to continue performing these analyses periodically and to address any remaining issues, should funds be available, as part of its commitment to providing competitive salaries to attract and retain faculty and staff.

#### Financial Inputs and Impacts

At the request of Finance, Investment, and Audit Committee Chair John Wobensmith '93, Vice President for Business and CFO Paul Pusecker provided Committee members with a tutorial on College revenue streams and approval authority, unrestricted and restricted funding sources, and the annual expense rollover process.

#### **Information Items**

##### Authority and Responsibility Matrix

The Committee received the College's Authority and Responsibility Matrix, which was approved by the Board of Trustees on May 2, 2015. The Authority and Responsibility Matrix provides an accurate and clear summary of the responsibilities assigned to the Board of Trustees, the President, and the officers of the College for various College functions and operations. Also included in the Matrix are the responsible parties for the preparation, approval, and notification of each function and operation. Committee Chair John Wobensmith '93 requested that Trustees review the Matrix and provide their input prior to the May 2022 meeting, at which time any proposed changes would be brought forward for action.

##### Reportable Procurement Items

A list of reportable procurement items was provided to the Committee.

##### 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. FY23 Tuition, Fees, Room, and Board Rates**

The Committee reviewed the recommended FY23 student rates for tuition, fees, room, and board, which proposed that tuition remains equal to the FY22 rate. Due to inflation resulting in a higher cost of goods and services, as well as personnel costs associated with minimum wage increases and Union wage negotiation increases that will impact FY23, a 2% increase for mandatory fees and room rates and a 4% increase for board rates were proposed. This action is applicable for Maryland resident undergraduate students, non-resident undergraduate students, DC resident undergraduate students, and MAT students. The objective of not increasing tuition for FY23 is to encourage affordable enrollment growth and to continue closing the tuition price gap between St. Mary's College of Maryland and the University of Maryland, College Park. 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 2:10 p.m.