

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

**Date of Meeting:** May 8, 2018

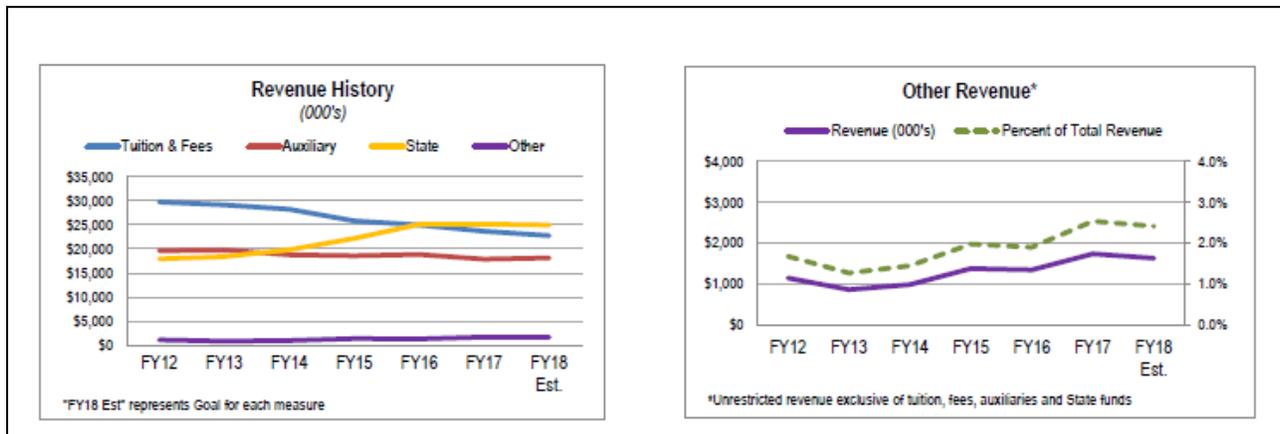
**Date of Next Meeting:** TBD

**Committee Chair:** John Wobensmith '93

**Committee Members:** Anirban Basu, Lex Birney, Donny Bryan '73, Asif Dowla, Board Chair  
Sven Holmes, President Tuajuanda Jordan

**Staff Member:** Chip Jackson

**Dashboard Metrics:**



**Executive Summary:**

**DISCUSSION ITEMS**

Results of Legislative Session: The 2018 Legislative Session ended on April 9th, 2018. A summary of operating and capital budget related legislative action is provided.

Enterprise Resource Planning System (ERP) Update: An update on the procurement of a new ERP is provided.

**INFORMATION ITEMS**

FY 2018 financial results to date detailing revenues and expenditures are provided. Reportable Procurement Items are reported. Reports are provided related to College and Foundation endowment investments (through the Joint Investment Advisory Group) and a solicitation to select a new investment manager.

The St. Mary's College of Maryland Foundation report by Foundation President Jack Saum was provided, as were the minutes from the meeting of January 22, 2018.

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

**FY19 Current Fund (Operating) Budget, including new personnel positions:**

The proposed FY19 Operating Budget totals \$69.29 million. State funds total \$26.04 million including \$0.69 million of inflator funding, \$.032 million in tuition buy-down funding as well as \$0.15 million of partial funding for wage changes effective January 1, 2019.

The proposed FY19 Operating Budget is based on 1,424 full-time undergraduate students, representing 98% of the estimated total enrollment. The budgeted enrollment projection is 13 more than the prior year assumptions. Tuition rates for both in-state and out-of-state students increase 2% and Auxiliary fees 3%.

With the rate changes and additional state support, approximately \$0.2 million of expense reductions are incorporated into the proposed FY19 operating budget to allow funds for faculty and staff salary changes, required expenditure changes, 12 new positions, and strategic planning priorities.

**FY19 Plant Fund (Capital) Budget:**

The Committee on Buildings and Grounds establishes and recommends Priority A FY19 Plant Projects for consideration totaling \$1.3 million.

**FY20-FY24 State Capital Budget Proposal:**

The proposed FY20-FY24 State-funded Capital Budget includes a continuation of funding for the New Academic Building and Auditorium and various Campus Infrastructure Improvements. This year, the College is requesting funding for design and construction for the renovation of Montgomery Hall and construction funds for a limited renovation of Goodpaster Hall.

**Action Item III. B. Bond Refinance Authorization:**

Authorizing the refinancing of up to \$22 million of St. Mary's College of Maryland 2005 Series A, 2006 Series A, and 2014 Series A bonds through the issuance by St. Mary's College of Maryland of Refunding Bonds 2018 Series A.

**Action Item III. C. Procurement Policy Revision:**

The revised policy updates certain sections of the current policy to be consistent with State and Federal regulations. These include several standard contract clauses to be incorporated within certain College solicitations and/or contracts. In addition, certain dollar thresholds related to procurement actions have been increased.

**Action Item III. D. Handbook Policy Revisions:**

Revising the current Employee Handbook to update the Acting Capacity Pay Policy to clarify the effective date of acting pay; update the Moving Expenses Policy to reflect current practices;



and establish an Email Use Policy to clarify how College email is used, improve information technology security and set best practices.

**Committee Action Taken/Action in Progress:**

**Recommendation to the Board:**



**FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018**

**AGENDA**

- I. CALL TO ORDER**
- II. DISCUSSION ITEMS**
  - A.** Results of Legislative Session
  - B.** Enterprise Resource Planning System (ERP) Update
- III. ACTION ITEMS**
  - A.** FY 2019 Budgets
    - 1.** FY19 Current Fund (Operating) Budget, including new personnel positions
    - 2.** FY19 Plant Fund (Capital) Budget
    - 3.** FY20-FY24 State Capital Budget Proposal
  - B.** Bond Refinance Authorization
  - C.** Procurement Policy Revision
  - D.** Handbook Policy Revisions
    - 1.** Email Use Policy
    - 2.** Acting Pay
    - 3.** Moving Expenses
- IV. INFORMATION ITEMS**
  - A.** FY 2018 Financial Results to Date
  - B.** Reportable Procurement Items
  - C.** Joint Investment Advisory Activities
  - D.** Endowment Investment Manager Solicitation
  - E.** Foundation President Report
  - F.** Minutes (Meeting of January 22, 2018)

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

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
DISCUSSION ITEM IIA.  
RESULTS OF LEGISLATIVE SESSION**

The 2018 Legislative Session ended on April 9<sup>th</sup>, 2018. A summary of budget related legislative action, which includes certain increases and tuition buy down, is provided below.

**Fiscal Year 2019 Operating Budget**

The Legislature approved the Governor's FY19 Operating Budget for the College which provides with a total of \$26.0 million in State funds, an increase of \$1.21 million (4.68%). Increases in State support include \$0.74 million representing the Block Grant inflator, \$0.15 million in wage funding, and \$0.32 million in tuition buy-down funding. The wage and tuition buy-down funds are new to the College beginning in FY19 as a result of House Bill 556 passed during the 2017 legislative session. Also, the State did not project increases in health insurance expenses for FY19, resulting in no health expense funding that would otherwise be provided to the College under House Bill 556. Tuition funding represents a buy-down from 4% to 2% for in-state students.

**Fiscal Year 2019 Capital Budget**

The Legislature approved the Governor's proposed Capital Budget for the College, fully funding our request of \$6.0 million. The State appropriated \$3.1 million in FY19 to continue the design of the new academic building and auditorium. An additional \$0.5 million was provided to construct the commemoration of the slave quarters found near the site of the new Jamie L. Roberts Stadium. Last, the State appropriated \$2.4 million in FY19 to continue support of Campus Infrastructure Projects.

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
DISCUSSION ITEM ILB.  
ENTERPRISE RESOURCE PLANNING SYSTEM (ERP)**

The College is moving forward with the procurement to replace its aging ERP. The new ERP will include human resources, business and finance, a student information system, and, potentially, an admissions CRM. Proposals from four vendors were received in response to the College's RFP. Each vendor spent one week on campus during the fall semester to demonstrate their product, as well as engage in technical discussions with relevant College offices.

In February 2018, the College received the best and final technical and price proposals from Ellucian, Jenzabar, Workday and Campus Management. The College requested additional feedback from three vendors in order to address outstanding issues related to price and technical questions. Based upon evaluation of vendor responses the vendors were narrowed to two. An analysis of the cost for each product was included in the evaluation of each vendor.

In May 2018, is the College expects the two final vendors to return to the campus to address any additional questions or issues from the Selection Committee and other constituents across campus. The final selection of the ERP system will conclude by June 2018. Implementation will take approximately two years from contract award.

The College has \$2.4 million in one-time funds reserved to support the new ERP and its implementation. One-time and on-going costs for the project are anticipated to vary substantially between vendors/systems. As costs become known through the solicitation process, the financial plan to support the new ERP will be updated.

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
ACTION ITEM III.A.1.  
RECOMMENDATION TO APPROVE FY19 CURRENT FUND (OPERATING)  
BUDGET, INCLUDING NEW PERSONNEL POSITIONS**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the attached operating (current fund) budget for fiscal year 2019.

**RATIONALE**

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached FY19 current fund budget will allow the College to continue its mission of providing a high quality, public, post-secondary education.

The proposed FY19 Operating Budget totals \$69.29 million. State funds total \$26.04 million including \$0.69 million of inflator funding, \$0.32 million in tuition buy-down funding as well as \$0.15 million of partial funding for wage changes effective January 1, 2019.

The proposed FY19 Operating Budget is based on 1,424 full-time undergraduate students, representing 98% of the estimated total enrollment. The budgeted enrollment projection is 13 more than the prior year assumptions. Tuition rates for both in-state and out-of-state students increase 2% and Auxiliary fees 3%.

With the rate changes and additional state support, approximately \$0.2 million of expense reductions are incorporated into the proposed FY19 operating budget to allow funds for faculty and staff salary changes, required expenditure changes, 12 new positions, and strategic planning priorities.

**St. Mary's College of Maryland**  
**FY19 Operating Budget**  
**Supporting Documentation Table of Contents**

- Exhibit A: Budget Item for BOT Approval
- Exhibit B: Important Assumptions
- Exhibit C: Updated Enrollment Assessment
- Exhibit D1: FY19 Budget Leadsheet  
This schedule describes revenues by source and all additional expenditure items by type for the Current Fund Unrestricted only.
- Exhibit D2: FY19 Budget Crosswalk  
This schedule describes year-to-year changes in revenue and expenditure items for the Current Fund Unrestricted only.
- Exhibit E: Pie Chart: FY19 Current Fund Unrestricted (CFU) Budgeted Revenue by Source
- Exhibit F: Pie Chart: FY19 CFU Budgeted Expenditures by Program
- Exhibit G: Pie Chart: FY19 CFU Budgeted Expenditures by Object
- Exhibit H: Bar Chart FY19 – FY15 Comparative Expenditures by Program
- Exhibit I: Bar Chart FY18 – FY14 Comparative Expenditures by Object
- Exhibit J: Reconciliation of State Appropriation
- Exhibit K: FY19 CFU Budget for Contingency Items  
This schedule provides information about the contingency funds included in the current fund unrestricted budget.
- Exhibit L: FY19 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 M: FY19 Permanent Personnel Complement  
This schedule provides counts of faculty, administrative, and staff positions, by program and by department.

**St. Mary's College Of Maryland  
FY19 Operating (Current Fund) Budget  
Exhibit A**

	FY19 Current Fund Unrestricted (CFU)		FY19 Current Fund Restricted (CFR)	
	Proposed Budget	% Of Total	Proposed Budget	% Of Total
<b>Revenue</b>				
Tuition	20,144,822	29.1%		0.0%
Fees	3,131,370	4.5%		0.0%
State Grant (Appropriation)	26,036,828	37.6%		0.0%
Gifts And Grants	0	0.0%	5,300,000	100.0%
Sales & Services-Educational	800,039	1.2%		0.0%
Endowment/Investment	516,000	0.7%		0.0%
Foundation Unrestricted Support	75,000	0.1%		0.0%
Sales & Services-Auxiliary	18,335,617	26.5%		0.0%
Other	254,400	0.4%		0.0%
<b>Total Revenue</b>	<b>69,294,076</b>	<b>100.0%</b>	<b>5,300,000</b>	<b>100.0%</b>
<b>Expenditures</b>				
Instruction	20,301,662	29.3%	566,136	10.7%
Research	0	0.0%	196,215	3.7%
Public Service	98,404	0.1%	14,541	0.3%
Academic Support	2,227,361	3.2%	14,526	0.3%
Institutional Support	14,407,956	20.8%	536,082	10.1%
Student Services	6,521,802	9.4%	296,236	5.6%
Plant Operation And Maintenance	4,936,929	7.1%	411,290	7.8%
Scholarships/Grants	6,736,672	9.7%	3,264,974	61.6%
Auxiliary Enterprises	14,063,290	20.3%	0	0.0%
<b>Total Expenditures</b>	<b>69,294,076</b>	<b>100.0%</b>	<b>5,300,000</b>	<b>100.0%</b>
<b>Transfers In (Out)</b>				
Plant-Deferred Maintenance & Parking Fee	0	0.0%	0	0.0%
Quasi Endowment	0	0.0%	0	0.0%
<b>Total Transfers</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Total Expend. &amp; Transfers</b>	<b>69,294,076</b>	<b>100.0%</b>	<b>5,300,000</b>	<b>100.0%</b>
<b>Budget Year Incr. (Decr. in Fund Balance)</b>	<b>0</b>		<b>0</b>	
<b>Total Increase (Decrease) in Fund Balance</b>	<b>0</b>		<b>0</b>	

April Action Item FY19 Current Fund Total		Prior Year Beginning Budget FY18 Current Fund Total			
Proposed Budget	% Of Total	July 2017 Budget	% Of Total	\$ Change	% Change
20,144,822	27.0%	19,702,887	27.1%	441,935	2.24%
3,131,370	4.2%	3,073,764	4.2%	57,606	1.87%
26,036,828	34.9%	24,964,954	34.3%	1,071,874	4.29%
5,300,000	7.1%	5,300,000	7.3%	-	0.00%
800,039	1.1%	782,039	1.1%	18,000	2.30%
516,000	0.7%	516,000	0.7%	-	0.00%
75,000	0.1%	75,000	0.1%	-	
18,335,617	24.6%	18,151,499	24.9%	184,118	1.01%
254,400	0.3%	255,600	0.4%	(1,200)	-0.47%
<b>74,594,076</b>	<b>100.0%</b>	<b>72,821,743</b>	<b>100.0%</b>	<b>1,772,333</b>	<b>2.43%</b>
20,867,798	28.0%	20,613,906	28.3%	(253,892)	-1.23%
196,215	0.3%	196,215	0.3%	-	0.00%
112,945	0.2%	112,945	0.2%	-	0.00%
2,241,887	3.0%	2,385,590	3.3%	143,703	6.02%
14,944,038	20.0%	13,701,987	18.8%	(1,242,051)	-9.06%
6,818,038	9.1%	6,474,190	8.9%	(343,848)	-5.31%
5,348,219	7.2%	5,089,129	7.0%	(259,090)	-5.09%
10,001,646	13.4%	9,512,140	13.1%	(489,506)	-5.15%
14,063,290	18.9%	14,735,641	20.2%	672,351	4.56%
<b>74,594,076</b>	<b>100.0%</b>	<b>72,821,743</b>	<b>100.0%</b>	<b>(1,772,333)</b>	<b>-2.43%</b>
0	0.0%	0	0.0%		
0	0.0%	0	0.0%		
0	0.0%	0	0.0%	0	
<b>74,594,076</b>	<b>100.0%</b>	<b>72,821,743</b>	<b>100.0%</b>		
0					
0					

Note 1: Please Refer To Attached Schedules for More Information.

Note 2: For FY19, The CFU Expenditure Budget Contains \$305 Thousand In Unallocated/Contingency and \$1.3 million Study Abroad Contingency.

## **FY2019 Key Budget Assumptions Exhibit B**

### **REVENUES**

The FY19 revenue budget increases \$1.77 million (2.43%) over the FY18 revenue budget primarily due to slightly higher enrollment, an increase in state support, and increased student rates for tuition and auxiliary charges. The FY19 budget is based on 1,424 full time students net of study abroad activity, 13 more than budgeted for FY18. Enrollment counts are budgeted at 98% of projected enrollment. Tuition rates rise 2% over equivalent FY18 levels for both resident and non-resident students.

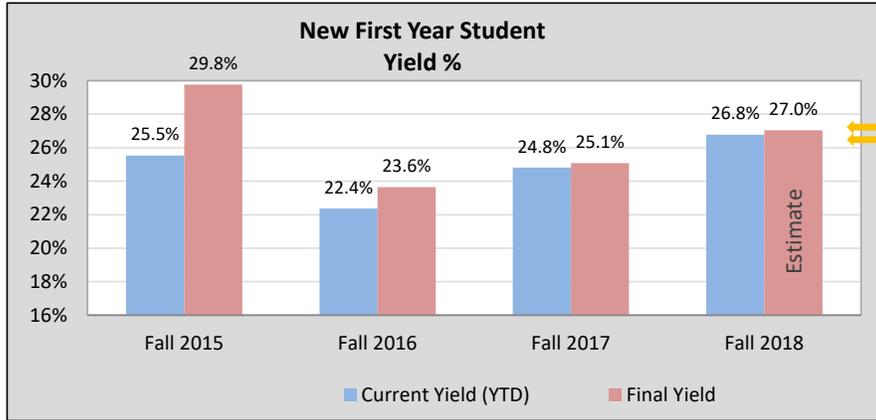
The State appropriation increases \$1.21 million over the FY18 representing the Block Grant inflator, COLA related wage funds, and buy-down funds from the State to cap tuition increases at 2%. Overall, State support increases 4.68% as shown in Exhibit J.

Auxiliary Enterprise revenue increases \$184 thousand as residence hall and dining rates increase by 3% and student counts for dining and Bookstore decrease to align with recent experience. The St. Mary's College of Maryland Foundation provides \$75 thousand in unrestricted support. Foundation support also includes a total of \$185 thousand in expense offsets including endowed chairs and staff support.

### **EXPENDITURES**

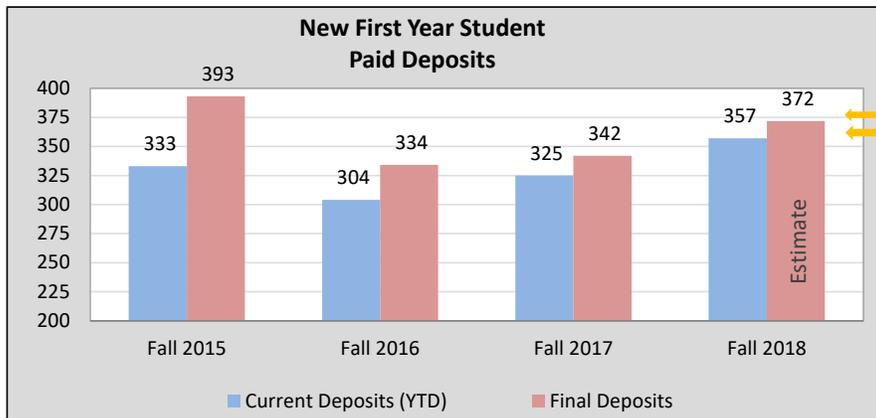
The FY19 current fund unrestricted expenditure budget, detailed in Exhibit A, increases a total of \$1.77 million (2.43%) over the FY18 expenditure budget consisting of new required expenditures and initiatives related to the Strategic Plan, the Honors College 2.0 initiative, scholarship, and student recruiting. A total of 12 new permanent positions are included as shown in Exhibit M. Funding for wage increases is consistent with the strategic plan goal to reduce wage gaps. Funds are provided for faculty tenure and promotion as well as a similar pool for administrative employees. Significant savings include debt service related to the completion of our obligations, auxiliary expense reductions, and faculty personnel savings due to retirements. Significant additions and reductions are shown in the FY18 Budget Crosswalk (Exhibit D2).

New First Year Students



1-May Estimate

High	27.3%
Low	26.7%



1-May Estimate

High	376
Low	368

**New First Year Students - Fall**

Estimated Range	Low Est: 368	Budget: 360	High Est: 376
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**New Transfer Enrollment - Fall**

	2016	2017	2018
Paid Deposit (YTD)	45	46	32
Paid Deposit Final	110	87	100

Estimated Range	Low Est: 95	Budget: 100	High Est: 105
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**Returning Students - Fall (on-campus)**

Estimated Range	Low Est: 1,032	Budget: 1,067	High Est: 1,082
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**Total Estimated Headcount Enrollment - Fall '18**

Estimated Range	Low Est: 1,495	Budget: 1,527	High Est: 1,563
Less Study Away	Low Est: -36	Budget: -31	High Est: -26

**Fall to Spring Adjustment**

All UG Adjustment	Low Est: -48	Budget: -43	High Est: -38
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**Total FY18 Estimated Headcount Enrollment - Average Fall and Spring**

Estimated Range	Low Est: 1,411	Budget: 1,454	High Est: 1,499
Budgeted at 98%		1,424	
Difference to Budget	-13		75

**St. Mary's College of Maryland**  
**FY19 Budget Leadsheet**  
**Board of Trustees May Meeting**  
**Exhibit D 1**

	<b>FY19</b>
Tuition	20,144,822
Fees	3,131,370
State Appropriation - General Fund Grant & HEIF	25,568,613
State Appropriation - 2% Tuition Buydown	319,755
State Appropriation - Wage Pool Contribution	148,460
State Appropriation - Health Contribution (no increase FY19)	0
Sales & Services - Educational	800,039
Endowment / Investment Income (College)	516,000
Foundation Unrestricted Support	75,000
Auxiliary Enterprises	18,335,617
Other	254,400
<b>Total Current Fund Unrestricted Revenues</b>	<b>69,294,076</b>
<b>Expenditures:</b>	
Base Budgets Forward	26,049,750
Scholarships	6,387,810
Additional Scholarships	493,725
<b>Total Base Budgets + Transfers</b>	<b>32,931,285</b>
Wages & Benefits	35,320,057
Foundation Endowed Chairs & Admin Support	(185,261)
Instructional Wage Savings	(270,841)
Wage Pool: Faculty Tenure & Promotions only	110,000
Faculty & Staff Wage Pool	509,714
Related FICA & Pension	94,546
Health	0
State Share	0
SMCM Share	0
<b>Total Wages + Benefits</b>	<b>35,578,215</b>
<b>FY19 Additions / Reductions:</b>	
Strategic Initiatives	364,140
Additional Wage Pool - Market Gap Adjustments (strategic plan)	509,714
Related FICA and Pension	94,546
Defer wage pool implementation to 1/1/19	(442,000)
Staff - Promotions	60,000
New Initiatives	634,606
Reallocations / Reductions	(227,490)
Dining Adjustments - net	(265,965)
Bookstore Adjustment	(139,505)
Minimum Wage	57,000
Contingency	38,995
Utilities - 3%	100,535
	784,576
<b>Total Expenditures</b>	<b>69,294,076</b>
<b>Surplus (Deficit)</b>	<b>(0)</b>

**St. Mary's College of Maryland**  
 FY19 Budget Crosswalk  
 Revenue Sources vs. Uses and Reallocations  
 Exhibit D2

**Sources:**

**New Revenue**

General Fund Grant Inflator	695,274
January Reduction	(91,000)
General Fund Grant - Tuition Buydown	319,755
General Fund Grant - COLA Wage Contribution	148,460
Tuition Rates	287,521
Fees - Rates & Other	19,542
Room & Board - Rates	440,582
Other Revenues	16,800
Total New Revenue	1,836,934

**Reduced or Increased Revenue**

Tuition +13	154,414
Fees +13	38,064
Room +13	99,086
Board +13	49,920
Wash Items (Lower revenue offset by lower expenses)	
Revised Room/Board/Bookstore Counts & Choice Mix	(405,470)
Total Reduced Revenue	(63,986)

***Net Revenue Change***

**1,772,948**

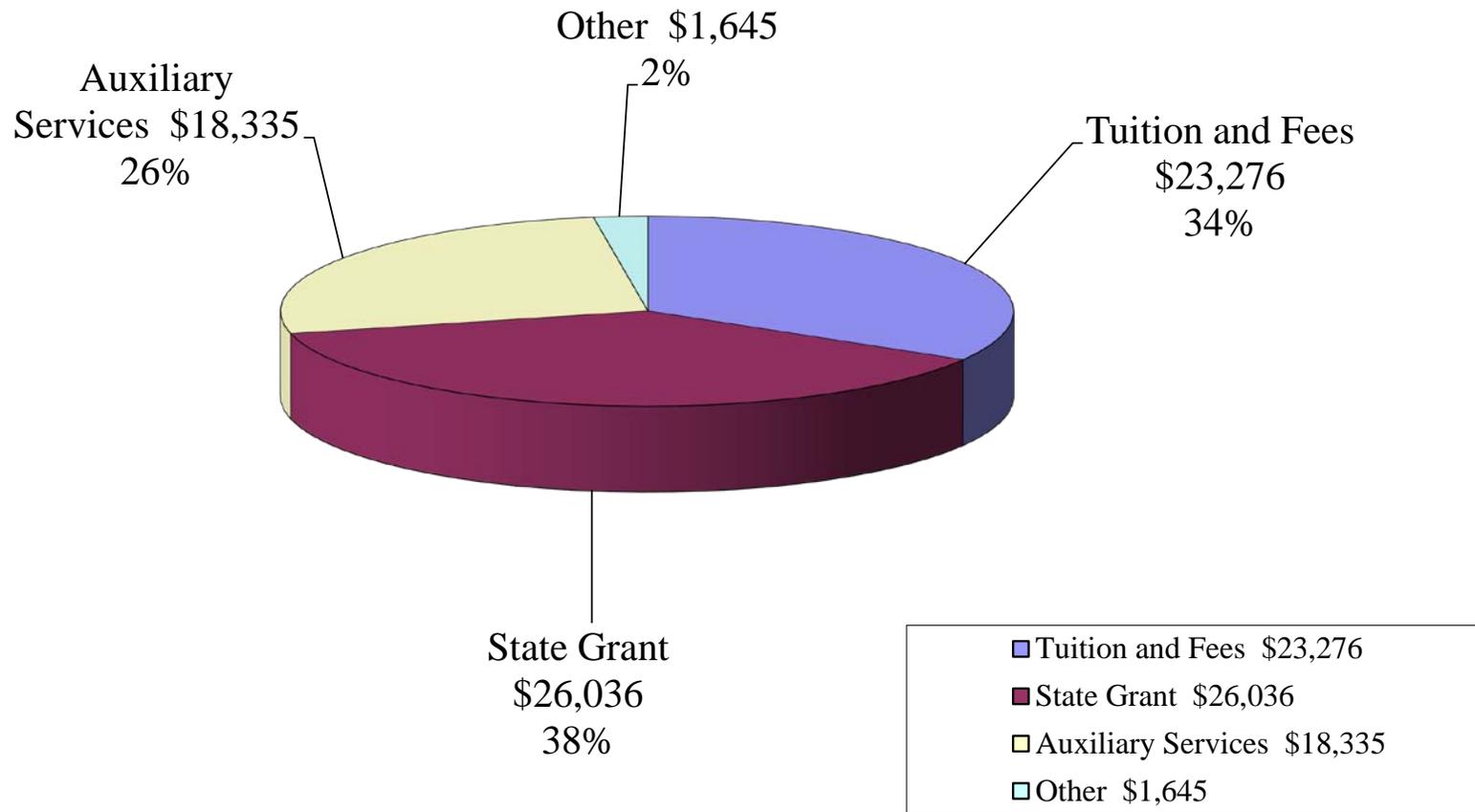
**Uses:**

Wash Items (Lower revenue offset by lower expenses)	
Revised Board/Bookstore Counts & Choice Mix	(405,470)
Scholarships	493,725
Instructional Wage Savings	(270,841)
Wage Pool: Faculty Tenure & Promotions only	110,000
Staff Promotions	60,000
Faculty & Staff Wage Pool	1,019,428
Related FICA & Pension	189,092
Defer to 1/1/2019	(442,000)

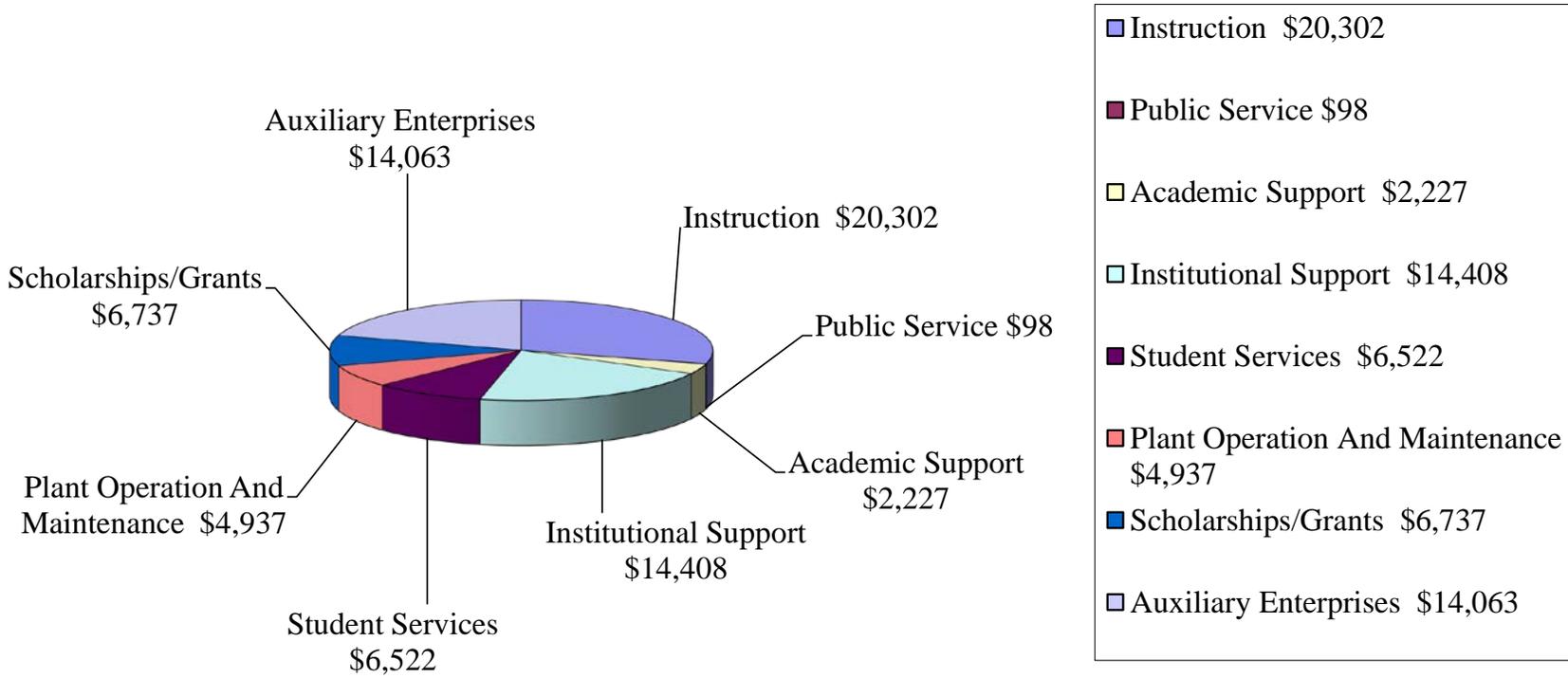
936,520

Honors College 2.0	634,606
Strategic Initiatives	364,140
Required Changes	196,530
Internal Reallocations	(227,490)
Misc. Other	1,228
<b>Net Expenditure Budget Change</b>	<b>1,722,948</b>

SMCM FY19 Operating Budget Exhibit E  
CFU Revenues by Source  
(\$000s)



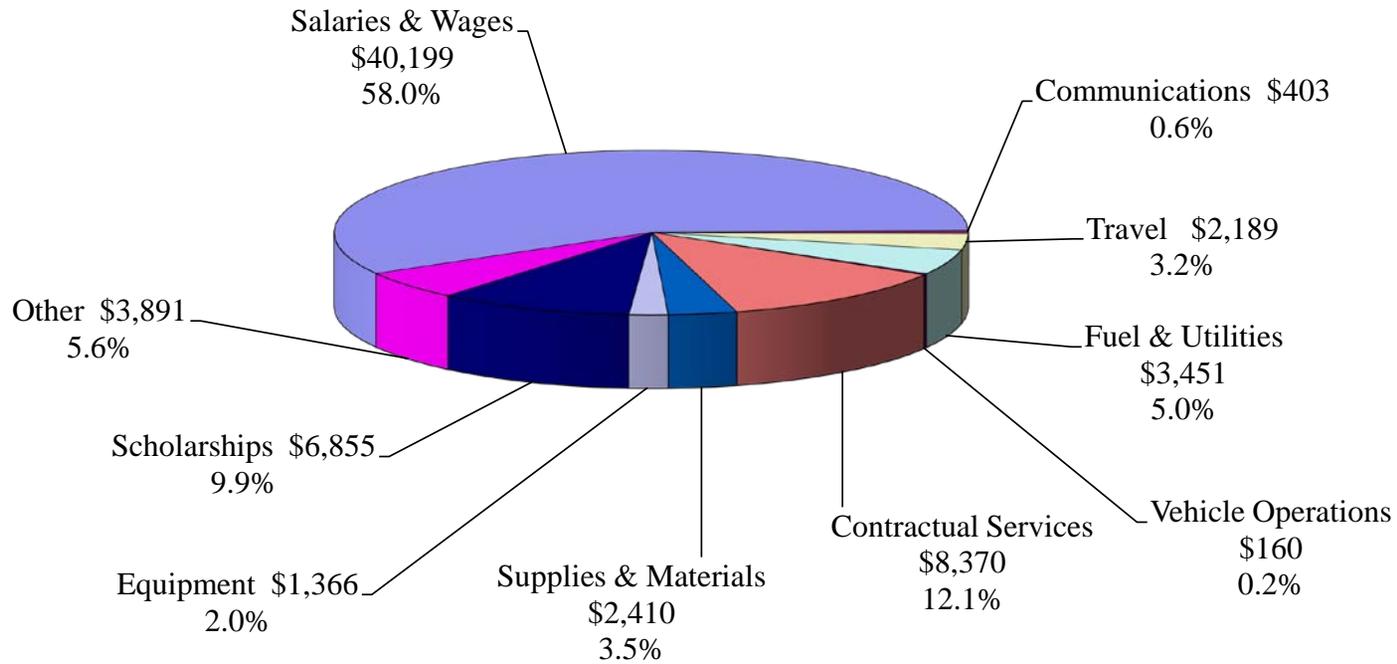
SMCM FY19 Operating Budget - Exhibit F  
Unrestricted Expenditures by Program  
(000's)



## SMCM FY19 Operating Budget - Exhibit G

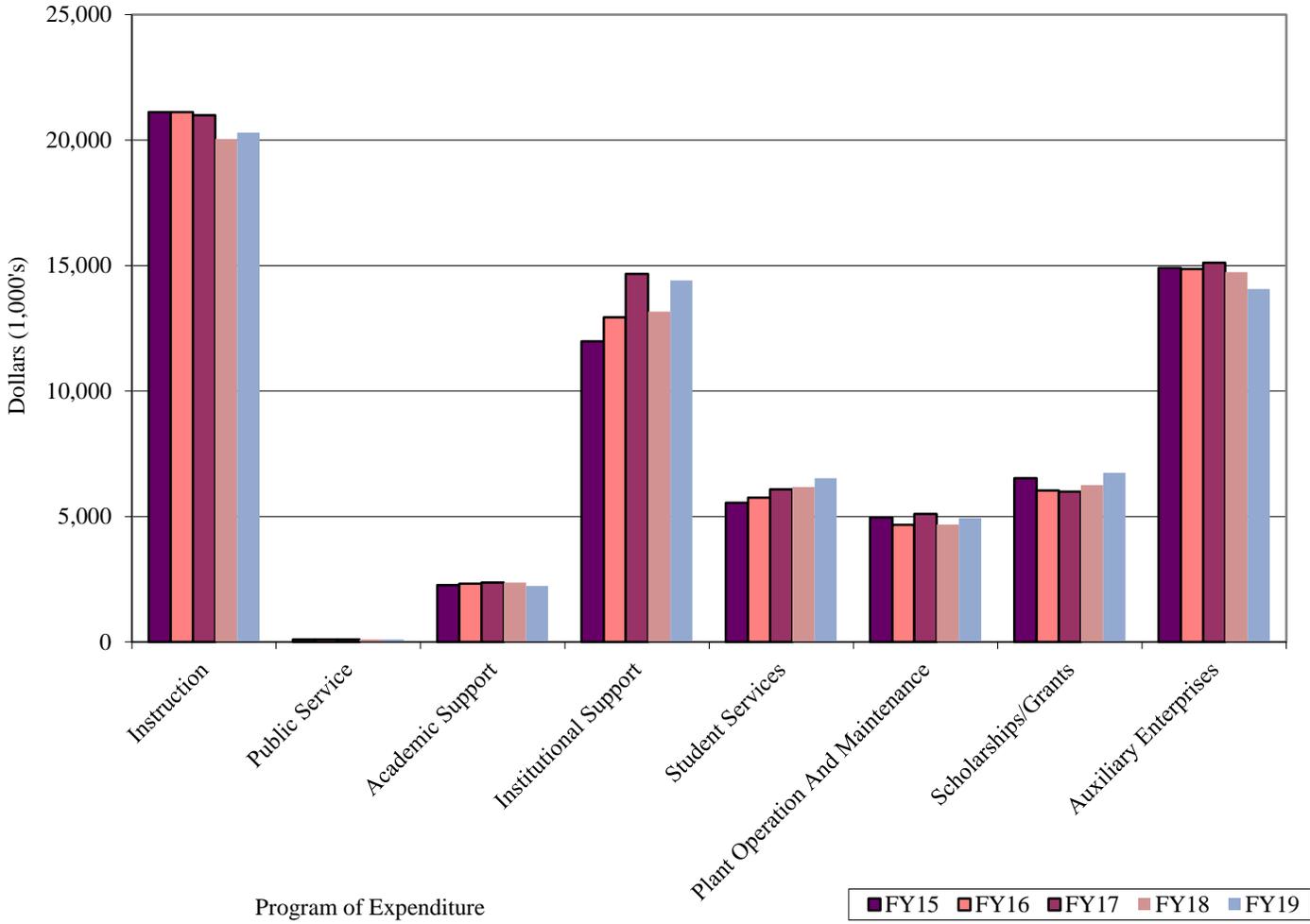
### Unrestricted Expenditures by Object

(\$000s)

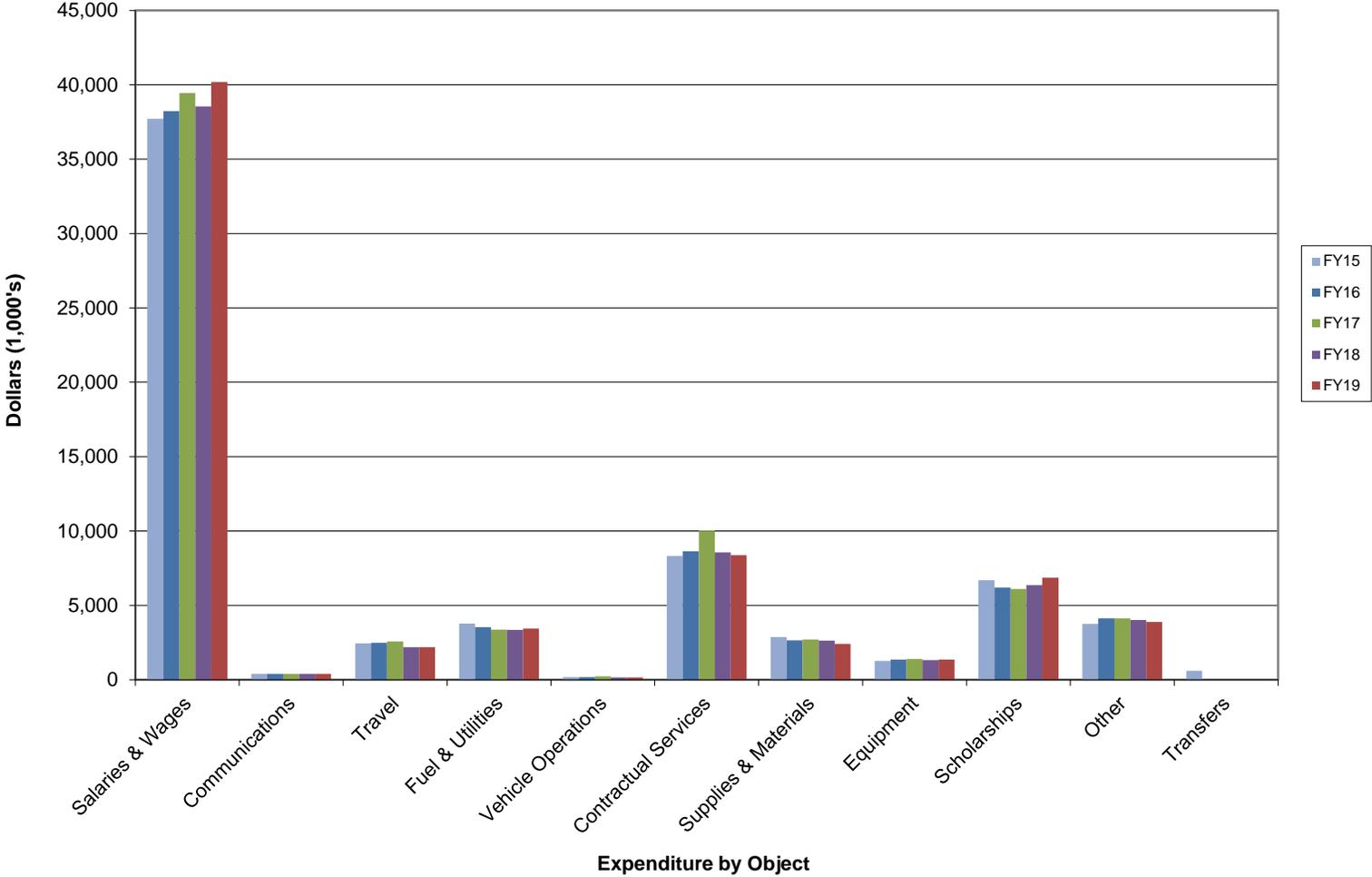


Salaries & Wages \$40,199	Communications \$403	Travel \$2,189
Fuel & Utilities \$3,451	Vehicle Operations \$160	Contractual Services \$8,370
Supplies & Materials \$2,410	Equipment \$1,366	Scholarships \$6,855
Other \$3,891		

### SMCM 5 Year Operating Budgets - Exhibit H



# SMCM Comparative Operating Budget - Exhibit I



**St. Mary's College of Maryland**  
 Exhibit J FY19 Operating Budget  
 Reconciliation of State Appropriation (General Fund Grant)

**Results  
 of 2018  
 Legislative  
 Session**

Beginning Base for FY18	24,964,339	
FY18 Mid-Year Reduction	(91,000)	
Beginning Base for FY19	<u>24,873,339</u>	
 <u>FY19 Adjustments</u>		
Inflator	695,274	
Tuition Buydown	319,755	
Wage Supplement	<u>148,460</u>	
Total Adjustments	<u>1,163,489</u>	4.68%
Allowance	<u>26,036,828</u>	

St. Mary's College of Maryland  
Exhibit K - FY19 CFU Contingency Items

<b>Item</b>	<b>Amount</b>
Institutional Contingency Balance	305,150
Institutional Contingency Amount	<u>305,150</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>\$ 1,772,229</u></u>

St. Mary's College of Maryland  
 Exhibit L - FY18 CFU Planned Expenditures Greater Than \$100,000 Each  
 To A Single Vendor

Description	Vendor	Estimated Amount
<b><u>IT &amp; Library Related</u></b>		
Administrative Software RFP	TBD	2,410,000
University of Maryland Acad. Telecom. Sys. - Internet	Network Maryland	120,000
Administrative Systems	Jenzabar	130,000
Library Mgt. System	USM & Affiliated Institutions (USMAI)	128,000
Library Databases	Lyrasis	205,000
Library Serials	Ebsco	365,000
		<b><u>3,358,000</u></b>
<b><u>Maintenance &amp; Utilities</u></b>		
Housekeeping Services	Shine Brite	220,000
Sewage Services	METCOM	285,000
Electricity	SMECO	2,000,000
Postage	US Postal Service	160,000
Heating Oil	James River	745,000
Trash Disposal	Waste Management	95,000
		<b><u>3,505,000</u></b>
<b><u>Auxiliaries, International &amp; Misc.</u></b>		
Bookstore Cost of Goods Sold	Nebraska Book Company	90,000
Food Service Contract	Bon Appetit	4,500,000
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>4,948,000</u></b>
		<b><u>11,811,000</u></b>
	Grand Total	<b><u>11,811,000</u></b>

Cuurent remainig balance @ 5-2-18

**ST. MARY'S COLLEGE OF MARYLAND  
PERMANENT PERSONNEL COMPLEMENT  
FY19  
Exhibit M**

	<b>PROGRAM</b>	<b>FACULTY</b>	<b>ADMIN</b>	<b>STAFF</b>	<b>TOTAL</b>	<b>TEMP</b>
<sup>1</sup>	Academic Services	0	4	1	5	0
	Anne Arundel Hall	0	0	1	1	0
	Anthropology and Sociology	8	0	0	8	0
	Art Department	7	0	0	7	0
	Art Gallery	0	1	0	1	0
	Montgomery Hall	0	0	2	2	0
	Biology	12	2	0	14	0
	Center for Democracy	0	2	0	2	0
	Chemistry	9	1	0	10	0
	Theatre, Film & Media Studies	6	1	0	7	0
<sup>2</sup>	Economics	11	0	0	11	0
<sup>3</sup>	Educational Studies	7	2	0	9	0
<sup>4</sup>	English	11	0	0	11	0
<sup>5</sup>	Environmental Studies	3	0	0	3	0
<sup>6</sup>	Honor's College 2.0	1	0	0	1	0
	History	8	0	0	8	0
	Kent Hall	0	0	2	2	0
	Goodpaster Hall	0	0	2	2	0
	Instructional Administration	0	0	0	0	0
	International Education	0	1	0	1	0
	International Languages & Culture	10	0	0	10	0
	Mathematics & Computer Science	12	0	0	12	0
	Music	5	1	0	6	0
	Schaefer Hall	0	0	2	2	0
	Philosophy & Religious Studies	7	0	0	7	0
	Physics	5	1	0	6	0
	Political Science	9	0	0	9	0
	Professional Services	0	0	0	0	0
	Psychology	13	2	0	15	0
<sup>7</sup>	Temporary	0	0	0	0	15
	<b>TOTAL PROGRAM 01</b>	<b>144</b>	<b>18</b>	<b>10</b>	<b>172</b>	<b>15</b>
	<b>PROGRAM 02 - ACADEMIC SUPPORT</b>					
	Library - Faculty	7	0	0	7	0
	Library General	0	8	0	8	0
	<b>TOTAL PROGRAM 02</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>15</b>	<b>0</b>
	<b>PROGRAM 03 - INSTITUTIONAL SUPPORT</b>					
	Academic Administration	0	0	0	0	0
	Academic Affairs	0	2	0	2	0
	Business Office	0	9	5	14	0
	Dean of Faculty	0	3	0	3	0
	Dean of Students	0	2	0	2	0
	Environmental Health & Safety	0	1	0	1	0
	Events and Conferences	0	2	0	2	0
	Human Resources & Payroll	0	4	2	6	0
	Institutional Research	0	2	0	2	0
<sup>8</sup>	Office of Institutional Advancement	0	15	1	16	0
	Office of Information Technology	0	18	0	18	0
	Physical Plant/Campus Mail Service	0	0	0	0	0
<sup>9</sup>	President's Office	0	7	1	8	0
	Professional Programs	0	0	0	0	0
<sup>10</sup>	Public Safety	0	2	12	14	0
	Publications	0	6	0	6	0
	Vice President for Business & Finance	0	3	0	3	0
	<b>TOTAL PROGRAM 03</b>	<b>0</b>	<b>76</b>	<b>21</b>	<b>97</b>	<b>0</b>

	PROGRAM	FACULTY	ADMIN	STAFF	TOTAL	TEMP
<b>PROGRAM 04 - STUDENT SERVICES</b>						
11	Admissions	0	13	1	14	0
12	Athletics and Recreation	0	21	3	24	0
13	Career Development	0	4	0	4	0
14	Financial Aid	0	4	0	4	0
	Registrar	0	4	1	5	0
15	Student Activities	0	4	2	6	0
	Waterfront	0	4	0	4	0
16	Wellness Center (combined Counseling & Health Svcs)	0	3	1	4	0
<b>TOTAL PROGRAM 04</b>		<b>0</b>	<b>57</b>	<b>8</b>	<b>65</b>	<b>0</b>

<b>PROGRAM 06 - PLANT OPERATION &amp; MAINTENANCE</b>						
17	Non Auxiliary Projects	0	6	20	26	0
	Planning and Facilities	0	5	0	5	0
<b>TOTAL PROGRAM 06</b>		<b>0</b>	<b>11</b>	<b>20</b>	<b>31</b>	<b>0</b>

<b>PROGRAM 10 - AUXILIARY ENTERPRISES</b>						
	Auxiliary Administration	0	0	26	26	0
18	Residence Halls	0	5	1	6	0
	St. Mary's Campus Store	0	3	0	3	0
<b>TOTAL PROGRAM 10</b>		<b>0</b>	<b>8</b>	<b>27</b>	<b>35</b>	<b>0</b>

<b>Beginning FY18 there were 418 Board approved positions</b>		<b>148</b>	<b>170</b>	<b>84</b>	<b>402</b>	<b>16</b>	<b>418</b>
1	Moved one Admin Line to Faculty (Stabile) and added New Admin Position (Adviser)		0				
2	Added one Faculty Line from Academic Servcies (Stabile)	1					
3	Added one Temp Line to Educational Studies (Thompson) and added New Admin Position	1	1				
4	Moved one Faculty Line to Environmental Studies (Chandler Line)	(1)					
5	Added one Faculty Line from English	1					
6	New Faculty Position (TLC Core Director)	1					
7	Moved one Temp Line to Educational Studies					(1)	
8	Added one Admin Line from Student Activities (Schroeder) and added New Admin Position (MG Officer)		2				
9	New Admin Position- Title IX Investigator		1				
10	Moved one Staff Line to Admin (Coons)		1		(1)		
11	Added one Admin Line from Financial Aid (Dir Enrollment Operation) and added New Admin Line (Counselor)		2				
12	New Admin Position - Cross Country Coach		1				
13	New Admin Position - Career Development Professional		1				
14	Moved one Admin Line to Admissions		(1)				
15	Moved one Admin Line to Institutional Advancement and New Admin Position (AD Multiculturalism)		0				
16	Moved one Admin Line to Residence Life (Asst Dir Pin)		(1)				
17	New Staff Positions (2 Caretakers and 1 Groundskeeper)				3		
18	Added one Admin Line from Wellness Center		1				
Net Changes (Year to Year)		3	8	2	0	(1)	0

<b>TOTAL ALL PROGRAMS</b>		<b>151</b>	<b>178</b>	<b>86</b>	<b>415</b>	<b>15</b>	<b>430</b>
		<b>FACULTY</b>	<b>ADMIN</b>	<b>STAFF</b>	<b>TOTAL</b>	<b>TEMP</b>	<b>TOTAL</b>

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
ACTION ITEM III.A.2.  
APPROVAL OF THE FY19 PLANT BUDGET PRIORITIES**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the FY19 Plant Budget in the amount of \$1.32 million, contingent on favorable endorsement by the Buildings and Grounds Committee at its meeting on May 11, 2018.

The Committee on Buildings and Grounds will consider the proposed Priority A FY19 Plant Projects as shown in the attached schedule as the highest unfunded priorities. Further, the Committee on Buildings and Grounds will consider recommending to the Finance, Investment, and Audit Committee and to the Board of Trustees that they approve a FY19 Plant Budget that provides funds for these Priority A projects.

**RATIONALE**

The Committee on Buildings and Grounds is charged with the responsibility to establish priorities for capital projects. These priorities are forwarded to the Finance, Investment, and Audit Committee for funding consideration. Pending action of the Finance, Investment, and Audit Committee on May 8, 2018, the amount of funding available for the FY19 Plant Budget is expected to be \$1.32 million.

The sole source of funding comes from the student facility fee. The total revenues for the FY19 Student Facility Fee are based on a budgeted enrollment of 1,424 students.

Background information is attached for information purposes. Included is a description of each Priority A project, a list of potential miscellaneous projects, and a summary of plant budget expenditures through March 31, 2018.

**ST. MARY'S COLLEGE OF MARYLAND  
 FY19 PLANT PROJECT SUMMARY  
 PRIORITY A PROJECTS LIST**

	<b>Estimated Cost</b>
<b>Major Capital Projects</b>	
Miscellaneous Capital Projects less than \$200,000	\$ 230,000
<i>Subtotal</i>	\$ 230,000
<b>Maintenance and Repair</b>	
Miscellaneous Maintenance and Repair Projects less than \$200,000	\$ 408,250
<i>Subtotal</i>	\$ 408,250
<b>Program Support</b>	
Miscellaneous Projects less than \$200,000	\$ 198,222
<i>Subtotal</i>	\$ 198,222
<b>Residence Hall Renewal Program</b>	
Prince George Hall – New Furniture	\$ 280,000
Miscellaneous Residence Hall Projects less than \$200,000	\$ 205,000
<i>Subtotal</i>	\$ 485,000
<b>FY19 PRIORITY A PROJECTS</b>	<b>\$1,321,472</b>

**ST. MARY'S COLLEGE OF MARYLAND  
FY19 PLANT PROJECT SUMMARY  
TENATIVE MISCELLANEOUS PROJECTS**

The following provides a list of miscellaneous projects that represents preliminary planning for funding within the FY19 plant budget. Implementation of specific projects is subject to change in the event of unforeseen circumstances.

<b>PROJECT</b>	<b>ESTIMATED COST</b>
<b><u>CAPITAL PROJECTS</u></b>	
Campus Center Nook -Renovation for new offering - Construction Phase	50,000
Campus Pub - Interior Improvements	10,000
Glendening Hall - Career Center Expansion (HC 2.0)	30,000
Montgomery Hall Programming Phase 1	40,000
Jaime L. Roberts Stadium Non-Capital F&E	100,000
<b>TOTAL COST OF CAPITAL PROJECTS</b>	<b>230,000</b>
<b><u>MAINTENANCE &amp; REPAIR</u></b>	
Miscellaneous maintenance and repair projects - unknown	50,000
Plant Contingency	39,450
Campus Wide - slate roof repairs	12,000
Campus Wide - Building Automation Commissioning	25,000
Campus Center - Transformer Relocation	20,000
Kent Hall - Boiler Maintenance/Upgrade	5,800
Library/Campus Center - District cooling piping connection	90,000
Library - Entry Floor Replacement (CB)	50,000
Montgomery Hall - Generator Repair	12,000
Montgomery Hall - 2nd Floor Common Area Carpet Replacement (CB)	45,000
Schaefer Hall - Greenhouse Ridge Vents Replacement	9,000
Schaefer Hall - Window Replacement	50,000
<b>TOTAL COST OF MAINTENANCE AND REPAIR PROJECTS</b>	<b>408,250</b>

<b>PROJECT</b>	<b>ESTIMATED COST</b>
<b><u>PROGRAM SUPPORT</u></b>	
Classroom Improvements - Strategic Planning	30,000
Montgomery Hall - Install of Laser Cutter for MH150	5,000
O'Brien ARC - Screen and refinish Arena and Movement Room Floors	14,000
Campus Center - North Lounge Furniture (CB)	7,500
Misc. Enhancements - unknown	15,000
OIT - OIT Renovation for Office Space Needs	25,000
Admissions - Lobby Upgrade (CB)	55,000
<b>TOTAL COST OF PROGRAM SUPPORT PROJECTS</b>	<b>151,500</b>
<b><u>CAMPUS IMPROVEMENT PROJECTS</u></b>	
Miscellaneous site improvements projects - unknown	13,222
Admissions - Entry Hardscapes Improvements (CB)	9,000
Campus Center - Expand brick walk width to Hexagon (CB)	9,500
Campus Center - New Patio Furniture (CB)	15,000
<b>TOTAL COST OF CAMPUS IMPROVEMENT PROJECTS</b>	<b>46,722</b>
<b><u>RESIDENCE HALL RENEWAL PROGRAM</u></b>	
Miscellaneous residence hall repairs	20,000
North and South Crescents - Bathroom Repair	40,000
North and South Crescents - Window Replacement	70,000
Old Townhouse End Units - Insulate Sprinkler System	60,000
PG Hall - New Furniture (CB)	280,000
Queen Anne - ADA Upgrade	15,000
<b>TOTAL COST OF RESIDENCE HALL PROJECTS</b>	<b>485,000</b>
<b>TOTAL COST OF PRIORITY "A" PROJECTS</b>	<b>1,321,472</b>

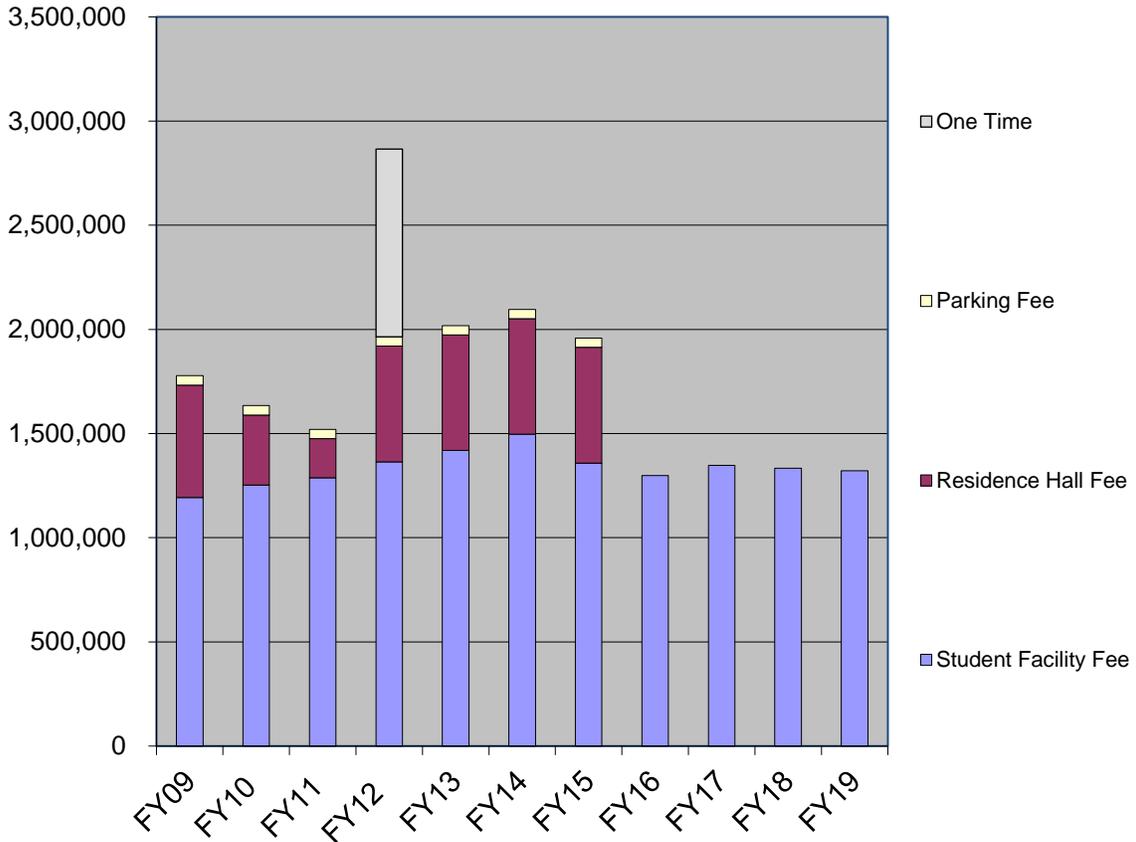
Note: CB = Campus Beautification

## PLANT PROJECT EXPENDITURE SUMMARY

Cumulative Project Budgets and Expenditures through March 31, 2018

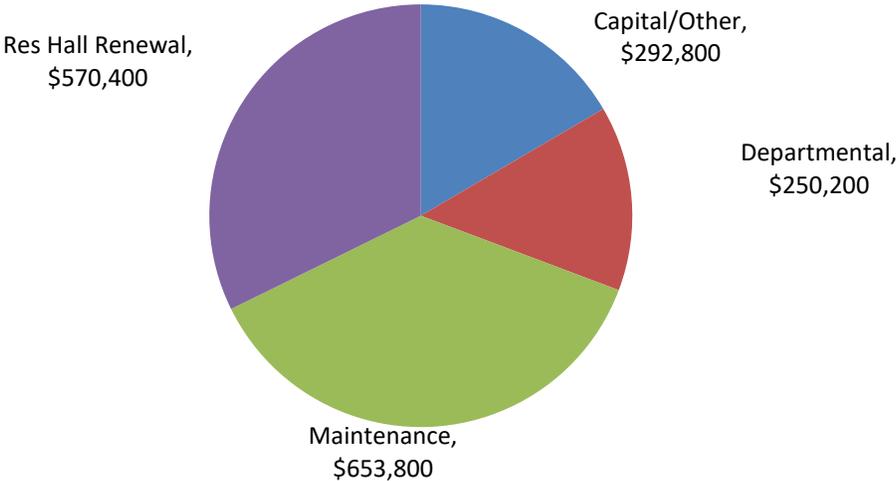
Project	Budget	Expenditures	Commitments	Balance
<b>Active Capital Projects &gt;\$200,000</b>				
Misc Maint & Repair	316,910	184,607	39,028	93,275
Misc Small Enhancements	394,671	297,972	38,541	58,158
Misc Residence Hall Projects	242,042	185,761	27,221	29,060
Residence Hall Furniture	305,000	10,607	273,872	20,521
<b>Total Projects &lt;\$200,000</b>	<b>1,312,267</b>	<b>384,990</b>	<b>182,918</b>	<b>744,359</b>
<b>Total Projects</b>	<b>2,570,890</b>	<b>1,063,937</b>	<b>561,580</b>	<b>945,373</b>

### Plant Budget: Sources of Funds FY09 - FY19



**Note:** The transfer to plant in the amount of \$600K no longer exists. In FY16 the transfer was reduced by \$200K as part of the college-wide budget reduction process. The remaining \$400K was allocated (budgeted) to institutional debt service to pay for the Residence Hall Renewal Loan to advance maintenance projects in the residence halls.

# Average Plant Budget Funding FY14 - FY18



**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 08, 2018  
ACTION ITEM III.A.3.  
FY20-FY24 STATE 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 attached FY20–FY24 State Capital Funding request, contingent on favorable endorsement by the Buildings and Grounds Committee at its meeting on May 11, 2018. The proposed FY20-FY24 State-funded Capital Budget includes a continuation of funding for the New Academic Building and Auditorium and various Campus Infrastructure Improvements. This year, the College is requesting funding for design and construction for the renovation of Montgomery Hall and construction funds for a limited renovation of Goodpaster Hall.

**RATIONALE**

The attached chart summarizes our FY20–FY24 State Capital Budget and compares it to the Governor's 5-year Capital Improvement Plan dated January 2018.

**New Academic Building and Auditorium**

The project constructs a new academic building to house Music, Educational Studies, study spaces, and a 700-seat auditorium. Relocating these departments will enable the College to reallocate vacated space to the arts (Montgomery) and the sciences (Goodpaster). The new study space will provide a contemporary "Study Commons" for student collaboration and learning. The auditorium will provide an appropriately sized facility for concerts, lectures, and other uses, which cannot now occur for lack of a suitable facility. The College proposes to add a café to the project to support recruitment and retention of students.

This project requires the relocation of athletic fields to clear the site for the new building. The new Jamie L. Roberts Stadium includes a new grass playing field and a new artificial turf field with a running track. Support facilities include seating for spectators, team rooms, concessions, press box, and parking.

The total estimated cost for this project is \$77.8M. The Jamie L. Roberts Stadium totals \$12.3M of which the College is providing \$3.65M. The new building totals \$65.8M. The FY20 Capital Budget includes \$1.96M for completion of the design of the New Academic Building, and \$11.6M to begin construction. The State will not fund the construction cost for the café. The College proposes to fund this component of the project (\$0.3M) through its FY20 Plant Budget.

### Campus Infrastructure Improvements

This project continues to fund infrastructure improvements annually in multiple phases. The FY20 request of \$2.9M will fund the replacement of roofs at the Michael P. O'Brien Athletic and Recreation Center (MPOARC), Library and Schaefer Hall as well as replacement of the HVAC system for the pool areas at the MPOARC.

Projects proposed for FY21 through FY24 includes projects such as Calvert Hall HVAC replacement, Dorchester Circle Storm Water Drainage Improvement, Calvert Hall Elevator and life safety improvements and Schaefer HVAC replacement. The total request for Infrastructure Projects in FY20 through FY24 is \$15.5M.

### Montgomery Hall Renovation

Montgomery Hall was constructed in 1979 and supports programs in the fine and performing arts. Over the years, the building has seen only minor improvements except for the renovation of the Bruce Davis Theater in 2008. The College has prioritized Montgomery Hall as the next building in need of significant capital funding for renovation.

The planned renovation of Montgomery Hall will be extensive in order to address significant renewal issues as well as provide the appropriate spaces to support academic programs. The building is nearly 40 years old and building components are in need of replacement. The relocation of the Music Department to the New Academic Building and Auditorium in 2022 enables the College to reallocate that space to other programs.

This year's State capital request for the Montgomery Hall Renovation proposes funding for design in FY23 and FY24 (\$3.0M) and construction in FY25-FY27 (\$21.7M). A phased, multi-year construction process is anticipated, as there is no available surge space on campus to relocate existing building programs to enable a single phased building renovation.

### Goodpaster Hall Renovation

The Educational Studies Department's move to the New Academic Building and Auditorium is intended to allow STEM facilities to expand within Goodpaster Hall. As the overall condition of Goodpaster Hall is very good, the renovations are planned to be limited to the 3,030 square feet of space vacated by Educational Studies.

The College proposes to fund \$0.14M for design from its FY22 Plant Budget to help support the request of \$1.3M in State construction funding in FY23. The total estimated cost for the renovation of Goodpaster Hall is \$1.44M

### Capital Budget Request Timeline

5/2/2018

		Design	Construction	in \$M						
		7/19 FY20	7/20 FY21	7/21 FY22	7/22 FY23	7/23 FY24	7/24 FY25	7/25 FY26	7/26 FY 27	7/27 FY28
New Academic Bldg and Auditorium	State	13.5	27.7	18.4	NABA MOVE-IN					
	College									
Infrastructure	State - Construction	2.9	4.3	3.8	1.1	3.3	approx. 3.5	approx. 3.5	approx. 3.5	approx. 3.5
	College									
Note: FY23 Infrastructure request reduced to accommodate Montgo and Goodpaster Hall										
Montgomery Hall	State				1.5	1.5	7.5	7.2	7.0	
	College									
STEM (Goodpaster/Schaefer)	State				1.3					
	College			0.14						
<b>TOTALS</b>	State	<b>16.4</b>	<b>32.0</b>	<b>22.2</b>	<b>3.90</b>	<b>4.8</b>	<b>11.0</b>	<b>10.7</b>	<b>10.5</b>	<b>3.5</b>
	College	<b>0.3</b>		<b>0.14</b>						

## STATE CAPITAL INFRASTRUCTURE PROJECT

O'Brien ARC Roof Replacement		
Library Roof Replacement		
Schaefer Membrane Roof Replacement		
O'Brien ARC HVAC Replacement	FY20	\$ 2.9M
Calvert Hall HVAC Replacement		
North Campus Nodal Loop Expansion		
Montgomery Hall Elevator Replacement		
Repair Campus Roads Phase II		
Automated Door Security Upgrades	FY21	\$ 4.3M
Calvert Hall Windows Replacement		
Montgomery Hall Underground Storage Tank		
Dorchester Circle Storm Water Drainage		
Calvert Hall Elevator and Life Safety		
Library/IT Emergency Generator Replacement	FY22	\$ 3.8M
Kent Hall HVAC Replacement	FY23	\$ 1.1M
Slate Roof Replacement – Historic Campus		
Schaefer Hall HVAC replacement		
Goodpaster Hall Controls Replacement	FY24	\$ 3.3M
<b>TOTAL FUNDING</b>		<b>\$15.5M</b>

## FY20 – FY24 College Capital Budget Request

	College Request FY20 –FY24		Governor's 5-Year Budget Plan FY20 – FY23	
<b>New Academic Building and Auditorium</b>				
•Design	FY20-FY21	\$ 1.9 million	FY20	\$ 1.9 million
•Construction	FY20- FY22	\$ 55.6 million	FY20-FY22	\$ 55.6 million
•Equipment	FY21	\$ 2.0 million	FY21	\$ 2.0 million
•College Match ( Previously funded)				
<b>Campus Infrastructure Improvements</b>				
•Design (phased)	FY20-FY24	\$ 2.2 million	FY20-FY23	\$ 1.8 million
•Construction (phased)	FY20- FY24	\$ 13.3 million	FY20-FY23	\$ 13.4 million
<b>Montgomery Hall</b>				
•Design	FY23-FY24	\$ 3.0 million		
•Construction	FY25-FY27	\$ 21.7 million		
<b>Goodpaster Hall</b>				
•Design (College Funds)	FY22	\$ 0.14 million		
•Construction	FY23	\$ 1.3 million		

Values presented are approximate values

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
ACTION ITEM III.B.**

**RECOMMENDATION TO FULL BOARD TO APPROVE THE REFINANCING OF  
THE ACADEMIC FEES AND AUXILIARY FACILITIES FEES  
SUBORDINATE REVENUE BONDS  
2005 SERIES A, 2006 SERIES A AND 2014 SERIES A**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the refinancing of St. Mary's College of Maryland Academic Fees and Auxiliary Facilities Fees Subordinate Revenue Bonds (2005 Series A, 2006 Series A, and 2014 Series A as described below) through the issuance by St. Mary's College of Maryland of its Academic Fees and Auxiliary Facilities Fees Revenue Refunding Bonds 2018 Series A (the "2018A Bonds").

Further, the Finance, Investment and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the attached Resolution Authorizing up to \$22 million of Refunding Revenue Bonds.

**RATIONALE**

In 2005, the College issued its \$19,105,000 St. Mary's College of Maryland Academic Fees and Auxiliary Facilities Fees Subordinate Revenue Bonds 2005 Series A to advance refund the College's 1997 Series A and 2000 Series A Revenue Bonds. The outstanding balance of the 2005 Series A bonds is approximately \$12,355,000. In 2006, the College issued its \$4,235,000 St. Mary's College of Maryland Academic Fees and Auxiliary Facilities Fees Subordinate Revenue Bonds 2006 Series A for the 88 bed Waring Commons Phase 3. The outstanding balance of the 2006 Series A bonds is approximately \$3,375,000. In 2014, the College issued its \$4,000,000 St. Mary's College of Maryland Academic Fees and Auxiliary Facilities Fees Subordinate Revenue Bonds 2014 Series A in a private placement with SunTrust bank to fund the rehabilitation and renovation of various Residence Hall projects. The outstanding balance of the 2014 Series A bonds is approximately \$2,938,931.

The 2005, 2006 and 2014 Series A Bonds are redeemable in full at par on or before the upcoming September 1, 2018 payment date.

The proceeds of the 2018A Bonds will be used to pay off the 2005A Bonds 2006A and 2014A Bonds and pay the issuance costs of the 2018A Bonds.

The estimated present value savings to the College, net of issuance costs and prepayment premium, and discounted to present value is \$1.0 million, or 5.39% as a percent of par.

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
ACTION ITEM III. C.  
PROCUREMENT POLICY REVISION**

**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 St. Mary's College of Maryland Procurement Policy.

**RATIONALE**

The revised policy updates certain sections of the current policy to be consistent with State and Federal regulations. These include several standard contract clauses to be incorporated within certain College solicitations and/or contracts. The following is a summary of the substantive changes:

In addition, dollar thresholds are increased in four areas:

The State revised the dollar threshold for contracts that require approval by the Maryland Board of Public Works from \$500,000 to \$1,000,000. This change applies to public higher education institutions in Maryland (University System of Maryland, Morgan State University, and St. Mary's College of Maryland). (See Section 1.1 of the Policy)

The State recently revised the dollar value threshold that triggers the requirement to publish a solicitation notice in emarylandmarketplace.com from \$25,000 to \$50,000. This change allows the College to raise the dollar threshold for "Full and Open" competition under the College policy to \$50,000. Increasing the dollar threshold for formal advertising will streamline the procurement process. Competition will still be required for procurements between \$5,000 and \$50,000, but full advertising will not be required. (See Sections 2.1 - 2.4, and 3.7 of the Policy)

The current procurement policy requirement that all vendors under a multiple award contract be given a fair opportunity to be considered for each order will increase from orders exceeding \$2,500 to \$5,000. This change is consistent with other requirements of the procurement policy regard competition for procurements under \$5,000. (See Section 4.4 of the Policy)

The current procurement policy requirement that all contracts with a dollar value above \$10,000 to have two College signatures will be increased to \$50,000. Raising the contract limit to \$50,000 would expedite the procurement process. (See Section 5.3 of the Policy)

**(The complete proposed procurement policy in redline format is available on the Board of Trustees Portal.)**

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
ACTION ITEM III.D.  
HANDBOOK POLICY REVISIONS**

**RECOMMENDED ACTION**

The Finance, Investment, and Audit Committee recommends that the Board of Trustees approve the following revisions to the St. Mary's College of Maryland Employee Handbook ("Handbook"):

To update the Acting Capacity Pay Policy to clarify the effective date of acting pay.

To update the Moving Expenses Policy to reflect current practices.

To establish an Email Use Policy to clarify how College email is used, improve information technology security and set best practices.

**RATIONALE**

**Acting Capacity Pay Policy**

Clarification of the current Acting Capacity Pay Policy is needed to define the correlation between actual start date and the commencement of acting pay. The current policy requires a 31-day waiting period before acting capacity pay is received. This change will provide that acting capacity pay can begin immediately upon appointment.

**Moving Expenses Policy**

The Moving Expenses Policy update is necessary to ensure consistent practices for the reimbursement of exempt staff moving expenses and to include guidance for reimbursement of tenure track faculty moving expenses.

**Email Use Policy**

The Email Use Policy is intended to outline expectations for appropriate, safe and effective email use, and to improve email communication. This policy will detail the College's usage guidelines and help the College reduce risk of an email-related security incident, foster good campus communications both internal and external to the College, and provide for consistent and professional application of the College's email principles.

## **CURRENT ACTING CAPACITY PAY**

Any College employee, placed in an acting capacity role that is expected to last more than 30 working days, shall be paid additional compensation (assuming the College is financially able to do so) after performing, for at least 30 working days, the duties of a position that has a and when the acting capacity position has a rate of pay higher than their current rate. Acting capacity pay begins on the 31<sup>st</sup> day. The supervisor and Office of Human Resources will determine if the employee is, in fact, performing such duties, and if so, will formally appoint the employee to the acting position. The rate of compensation for acting capacity will be determined by the senior administrator, based on the percentage of duties that will be performed and also based on the current compensation plan, but The rate shall not exceed the amount which the employee would be paid if they had been promoted to the higher paying position.

## **CURRENT MOVING EXPENSES**

A reasonable receiptable allowance toward moving expenses may be authorized for reimbursement with the initial appointment of a member of the College's exempt staff (department head level and above), as specified in the letter of appointment from the hiring department. Moving expenses include the actual cost of transportation of household goods, furnishings, and personal effects, as well as actual travel expenses for the employee and family members who live in the employee's household.

## **PROPOSED MOVING EXPENSES**

A reasonable receiptable allowance toward moving expenses may be authorized for reimbursement with the initial appointment of a member of the College's exempt staff (department head level and above), as specified in the letter of appointment from the hiring department. Moving expenses include the actual cost of transportation of household goods, furnishings, and personal effects, as well as actual travel expenses for the employee and family members who live in the employee's household.

Procurement of moving services is subject to requirements of the St. Mary's College of Maryland procurement policy, including the number of quotes (bids) required to be obtained by the individual moving. All written bids must be submitted to the Procurement Officer for review and approval prior to contracting with a moving company. In addition, single expenses that exceed \$5000 and submitted for reimbursement require compliance with State of Maryland procurement rules and regulations. Contact the Business Office for more information prior to paying for services in excess of \$5,000. Moving expenses are charged to the hiring department's operating budget.

When funds are available, and at the discretion of the Provost, moving expenses, for tenure track faculty, may be partially or wholly paid by the College in accordance with the College procurement policy.

**ST MARY'S**  
**COLLEGE** *of* **MARYLAND**

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*The Public Honors College*

**Email Policy**

May 3, 2018

*Effective July 1, 2018*

## 1.0 Overview

St. Mary's College, (hereinafter "College") has established this policy governing the access to and disclosure of electronic mail messages created, sent or received by authorized users of the College's electronic mail (email) system, including staff, faculty, students, alumni and other users granted access to the system by the College. Email is an essential component of College communication. This policy outlines expectations for appropriate, safe, and effective email use.

## 2.0 Purpose

Electronic mail is a tool provided by the College that serves as a primary means of communication. The purpose of this policy is to detail the College's usage guidelines for the email system. This policy will help the College reduce risk of an email-related security incident, foster good campus communications both internal and external to the College, and provide for consistent and professional application of the College's email principles. College users are responsible to use their email account in an efficient, ethical, and lawful manner.

## 3.0 Policy

### 3.1 Official Use

The College maintains an email system to assist in the operation of the College: instruction, instructional support, faculty advising, research, service, administration, and College-related correspondence in support of the College's mission.

1. The College owns all College email accounts. Subject to underlying copyright and other intellectual property rights under applicable laws and College policies, the College also owns data transmitted or stored using the College email accounts. Keep in mind that email may be backed up, otherwise copied, retained, or used for legal, disciplinary, or other reasons. Additionally, the user should be advised that email sent to or from certain public or governmental entities may be considered public record.
2. Employee email may be a public record subject to disclosure under the Maryland Public Information Act and, to the extent allowed by existing email retention capability, College email may be subject to record retention schedules established by Maryland law and College policy. The College reserves the right to retain emails in the College email system as necessary. Federal laws may require retaining email in the College email system for a specific time as defined by individual laws (i.e., the Family Educational Rights and Privacy Act, the Health Insurance Portability and Accountability Act, the Fair Credit Reporting Act).

3. The College may be required to issue a litigation hold requiring employees to retain email communications that have been created, received, maintained or stored on the College email system. In addition, the College may be required to produce email communications that are requested pursuant to a lawfully issued subpoena or court action.
4. The College uses email as an important communication medium for operations. Users of the College email system are expected to check and respond to email in a consistent and timely manner during business hours.
5. Users of the College email system must recognize that email sent from a College account reflects on the College, and, as such, email must be used with professionalism and courtesy.
6. The use of the College email system is reserved for the conduct of College business. It may not be used for personal business outside the interests of the College or its employees. For example, use of College email for private commercial or not-for-profit business purposes, for private advertising of products or services, or for any activity meant solely to foster personal gain, is prohibited. Similarly, use of College email for partisan political activity is also prohibited. Nothing in this policy is intended to contravene any applicable federal, state or local law.
7. Use of College email must comply with all College policies, procedures, and codes of conduct, including those found in the faculty and employee bylaws and handbooks. Specifically:
  - a. Users may not use the email system to send any offensive, intimidating, harassing, or defamatory messages or images, or other communications that disrupt others' ability to conduct College business.
  - b. Users may not use the email system to send messages or images that violate the College's policies against harassment and discrimination. Examples of conduct that may violate those policies include, but are not limited to email communications that: contain sexual language, racial slurs, gender-specific derogatory comments, or any other comment or image that offensively addresses someone's age, race, sex, sexual orientation, religious or political beliefs, national origin, or disability.
  - c. Users may not use the email system for spamming, non-official solicitations, chain letters, or pyramid schemes.

- d. Users may only use the email system to transmit copyrighted materials, trade secrets, proprietary information or similar materials if authorized by the appropriate College official (i.e., the College's president or provost, a supervisor, faculty research advisor,) governing document (i.e., a license, memorandum of understanding, contract, collaborative research agreement,) or in accordance with official duties of their position.
  - e. Users may not use the email system to send or solicit inappropriate jokes and comics or pornography.
  - f. Users may not employ a false identity and/or, mask the identity of an email account.
8. Employees are not authorized to retrieve or read any email messages that are not sent to them except as provided in Section 3.3 below.
9. Any employee who discovers conduct believed to be in violation of this policy should report it to the Chief Information Officer of the College.
10. Any employee who violates this policy or uses the email system for improper purposes shall be subject to discipline in accordance with College Policy.

## 3.2 Authentication

Passwords used to access email accounts must be kept confidential and used in adherence with the password policy. Two-factor authentication is required to log into the College email system, including from on-campus and off campus locations as well as from any device. Two Factor Authentication is an extra layer of security for your email that is designed to ensure that you're the only person who can access your account, even if someone knows your password.

To prevent the unauthorized use of email accounts, the sharing of passwords is strictly prohibited. Each individual is responsible for their account, including the safeguarding of access to the account. All email originating from an account is assumed to have been authored by the account holder, and it is the responsibility of that holder to ensure compliance with these guidelines.

### 3.3 Privacy and Right of College Access

The College does not routinely monitor the email of individual users. While the College will make every attempt to keep email messages secure, privacy is not guaranteed and users should have no general expectation of privacy in email messages sent through College email accounts. Under certain circumstances, it may be necessary for Office of Information Technology (OIT) staff or other appropriate College officials to access College email accounts. These circumstances may include, but are not limited to, maintaining the system, investigating security or abuse incidents or investigating violations of this or other College policies, and violations of the chosen Email vendor's Acceptable Use Policy. OIT staff or College officials may also require access to a College email account in order to continue College business where the college email account holder will not or can no longer access the College email account for any reason (such as death, disability, illness or separation from the College for a period of time or permanently). Such access will be on an as-needed basis and any email accessed will only be disclosed to individuals who have been properly authorized and have an appropriate need to know or as required by law. Approval to access another user's email rests with the president or president's designee.

The chosen Email vendor also retains the right to access the Email Accounts for violations of its Acceptable Use Policy. ([http://www.google.com/a/help/intl/en/admins/use\\_policy.html](http://www.google.com/a/help/intl/en/admins/use_policy.html))

### 3.4 Confidential Data

Email is an insecure means of communication. Users should think of email as they would a postcard, which, like email, can be intercepted and read on the way to its intended recipient.

No data that is sensitive or contains personally identifiable information (PII) shall be stored in or transmitted via email. This includes but is not limited to personally identifiable information, Social Security number, bank account information, tax forms, background checks, sensitive research data, or other protected data.

### 3.5 Spamming, Phishing, and Malicious Attachments

All incoming email is scanned for viruses, phishing attacks and Spam. Suspected messages are blocked from the user's Inbox. Due to the complex nature of email, it is impossible to guarantee protection against all Spam and virus-infected messages. It is therefore incumbent on each individual to use proper care and consideration to prevent the spread of viruses. In many cases, viruses or phishing appear to be sent from a friend, coworker, or other legitimate source. Do not click links or open attachments unless the user is sure of the nature of the message. If any doubt exists, the user should contact the [IT Support Center](#).

Users must use care when opening email attachments. Viruses, Trojans, and other malware can be easily delivered as an email attachment.

- Never open unexpected email attachments.
- Never open email attachments from unknown sources.
- Never click links within email messages unless you are certain of the link's safety. It is often best to copy and paste the link into your web browser, or retype the URL, as specially-formatted emails can hide a malicious URL.

Spam is defined as unsolicited and undesired advertisements for products or services sent to a large distribution of users.

**Phishing** is defined as the attempt to acquire sensitive information such as usernames, passwords, and credit card details (and sometimes, indirectly, money), often for malicious reasons, by masquerading as a trustworthy entity in an electronic communication.

### 3.6 Expiration of Accounts

Individuals may leave the College for a variety of reasons, which gives rise to differing situations regarding the length of email privileges. The policy governing those privileges are set forth below. Notwithstanding the guidelines below, the College reserves the right to revoke email privileges at any time.

- **Faculty and staff who leave before retirement** – In general, faculty and staff members who leave the College in good standing will have email privileges for 60 days, or the last day of the semester, whichever comes first, in which they worked. If such separation is for cause, email privileges may be immediately revoked without notice.
- **Retired Faculty and Staff** – Faculty and staff who have retired from the College will be permitted to retain their email privileges but remain governed by the policies herein.

#### Automatic Reply on Closed/Suspended Accounts

In some cases when a position is permanently or temporarily vacated, an automatic reply will be set on the closed account. The automatic reply will indicate that the contacted individual is unavailable and will include an alternate contact. The Office of Human Resources will determine when an automatic reply is necessary.

### 3.7 Email Signature

Email signatures (contact information appended to the bottom of each outgoing email) may or may not be used at the discretion of the individual user or department. Users must keep any email signatures professional in nature.

### 3.8 Auto-Responders

The College recommends the use of an auto-responder if the user will be out of the office for an entire business day or more. The auto-response should notify the sender that the user is out of the office, the date of the user's return, and who the sender should contact if immediate assistance is required.

### 3.9 Address Format

Email addresses must be constructed in a standard format in order to maintain consistency across the College.

- All permanent staff, faculty, and student email addresses will be in the form of: (first initial)(middle initial)(last name)@smcm.edu. A number will be appended to the username to resolve the conflict when multiple users have the same first initial, middle initial and last name. The Office of Information Technology sets this standard based on automated system processes

### 3.10 Use of College-wide Email Distribution Lists

1. College-wide email distribution lists are to be used only for official communication to all members of the college community, or the appropriate subgroup. The primary distribution lists are as follows:

[allstaffemail@smcm.edu](mailto:allstaffemail@smcm.edu)

All currently employed staff members.

[allfacultyemail@smcm.edu](mailto:allfacultyemail@smcm.edu)

All currently employed faculty members and emeriti faculty.

[allemployees@smcm.edu](mailto:allemployees@smcm.edu)

All currently employed faculty and staff members.

[allstudents@smcm.edu](mailto:allstudents@smcm.edu)

All currently enrolled full- and part-time students.

2. Campus communications on the above distribution lists are restricted to:

Presidential-level communications.

Campus-wide alerts about threats to public safety, service interruptions, cybersecurity intrusions, and the like.

Administrative communications at the VP level about policy, governance, or business practices.

Messages from the president, vice presidents, and the Office of Communications summarizing news relevant to the campus community.

The Office of Communications summarizing upcoming events and news relevant to the campus community.

3. Campus community members do not have access to submit to the distribution lists under 3.10.1 above. When a member of the community does a “Reply-All” to an email received on these lists, the reply will go to the sender and will not be sent to the distribution list.

### 3.11 Disclaimer

This Policy is not a complete statement of the College’s rights or remedies, and nothing in this Policy waives any of those rights or remedies. The College reserves the right to change this Policy at any time. The College will post the most up-to-date version of the Policy on the College web site and may, at its discretion, provide users with additional notice of significant changes.

*End of policy*

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 11, 2018  
INFORMATION ITEM IV.A.  
FY18 FINANCIAL RESULTS TO DATE**

**REVENUES**

Year to Year Comparison: Total revenue is 8.4% higher year-to-year. Tuition and fee revenues are 1.8% lower reflecting lower counts. Auxiliary Enterprise revenues have decreased 1.3% overall reflecting somewhat lower student counts. State Appropriations are 31.6% higher due to a timing difference, the Q4 payment had not yet been received in the prior year. Interest income is 43.4% lower than the prior year due to technical processing changes in the Treasurers Office, we expect this to catch up prior to year-end.

FY18 Actual to Budget Comparison: Overall revenue collections currently equal 98.0% of the budgeted level.

**EXPENDITURES**

Year to Year Comparison: Overall, expenditures in fiscal year 2018 are running 2.5% higher than the equivalent period last year. All programs of expenditure fall with expected changes year to year with the exception of Scholarships which are 6.4% higher than budget and 13.9% higher than prior year actuals.

**St. Mary's College of Maryland**  
**Board of Trustees**  
**Finance, Investment and Audit Committee**  
**Meeting of May 8, 2018**  
**Information Item IV.A.**  
**FY18 Current Fund Unrestricted Results**

	FY18 Budget	FY18 ACTUAL	FY17 ACTUAL	FY18 Actual to Budget	FY18 to FY17 % Change	FY18 to FY17 \$ Change
<b>REVENUES:</b>						
Tuition & Fees	22,776,651	22,793,593	23,201,794	100.1%	-1.8%	(408,201)
State Appropriations	24,964,954	24,826,954	18,869,662	99.4%	31.6%	5,957,292
Federal Grants & Contracts	0	420	354	0.0%		0
State Grants & Contracts		0	0			0
Private Gifts, Grants		906	1,621			(715)
Endowment Income		0	0			0
Sales/Serv Educ Dept	778,097	601,396	533,652	77.3%	12.7%	67,744
Sales/Serv Auxiliary Enter	18,155,441	17,394,117	17,629,730	95.8%	-1.3%	(235,613)
Interest Income Other	496,000	327,587	578,303	66.0%	-43.4%	(250,716)
Additions to Fund Balance - End. Income	95,000	0	96,075			(96,075)
Other Sources	255,600	203,223	135,092	79.5%	50.4%	68,131
<b>TOTAL CURRENT REVENUES</b>	<b>67,521,743</b>	<b>66,148,196</b>	<b>61,046,283</b>	<b>98.0%</b>	<b>8.4%</b>	<b>5,101,913</b>
<b>EXPENDITURES</b>						
Instruction	20,560,921	13,582,345	13,432,787	66.1%	1.1%	149,558
Research	0	0	0			0
Public Service	98,404	58,550	42,940	59.5%	36.4%	15,610
Academic Support	2,370,938	1,794,357	2,043,170	75.7%	-12.2%	(248,813)
Student Services	6,661,405	5,259,609	4,984,750	79.0%	5.5%	274,859
Institutional Support	16,567,081	10,346,746	10,403,014	62.5%	-0.5%	(56,268)
Operation & Maintenance	4,904,889	3,764,390	3,616,277	76.7%	4.1%	148,113
Scholarships & Fellowships	6,262,006	6,662,335	5,847,832	106.4%	13.9%	814,503
Auxiliary Enterprises	11,915,258	8,869,661	8,729,178	74.4%	1.6%	140,483
<b>TOTAL CURRENT EXPENDITURES</b>	<b>69,340,902</b>	<b>50,337,993</b>	<b>49,099,948</b>	<b>72.6%</b>	<b>2.5%</b>	<b>1,238,045</b>
<b>Transfers In (Out)</b>						
P & I Debt Requirements	3,355,707	3,076,318	3,214,789	91.7%	-4.3%	(138,471)
Non Mandatory Transfers						0
Transfer to Plant	0	0	0			0
Renewal/Replacement/Other						0
Support to Other Departments	0	0	(3,911)			3,911
	<b>3,355,707</b>	<b>3,076,318</b>	<b>3,210,878</b>	<b>91.7%</b>	<b>-4.2%</b>	<b>(134,560)</b>
	<b>72,696,609</b>	<b>53,414,311</b>	<b>52,310,826</b>	<b>73.5%</b>		
<b>Total Increase (Decrease) Fund Balance</b>	<b>(5,174,866)</b>	<b>12,733,885</b>	<b>8,735,457</b>			
Carry Forward from Prior Year	3,589,801					
Change over 2 years	(1,585,065)					

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 08, 2018  
INFORMATION ITEM IV.B.  
REPORTABLE PROCUREMENT ITEMS**

- Witt/Kieffer: Search firm for the new vice president for business and finance. \$120,000
- Holder Construction Group, LLC: CM at risk services for the new academic building and auditorium. \$375,000

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
INFORMATION ITEM IV.C.  
JOINT INVESTMENT ACTIVITIES**

The Joint Investment Advisory Committee met on April 19, 2018 to review financial information on the Foundation and College endowments. See attached for information related to the Foundation and College investments.

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
INFORMATION ITEM IV.C.  
JOINT INVESTMENT ACTIVITIES**

St. Mary's College of Maryland Foundation

As of March 31, 2018, the total market value of the Foundation's endowment is \$32.4 million. The Foundation's endowment is comprised of three parts - a portion of the JP Morgan portfolio (\$31.8m), the Student Investment Group (SIG) account (\$294k), and Old Line Bank shares (\$332k).

Of the endowment managed by JP Morgan, the net year to date increase in market value of \$651k includes \$236k in contributions, \$637k in income, \$1.2 million increase in investment value and \$1.42m of withdrawals. The overall rate of return over the past 12 months is 7.8%.

**St Mary's College of Maryland Foundation, Inc**  
**Consolidated Investment Statement**  
**for the period July 1, 2017 to March 31,2018**

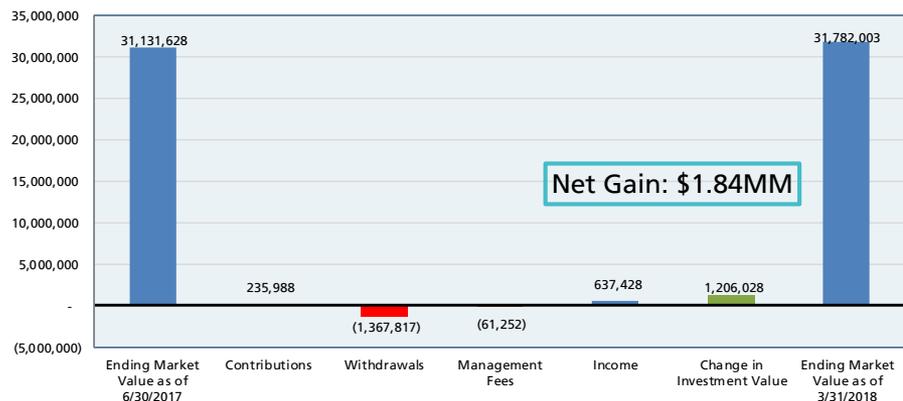
	<u>Beginning Market Value</u> <u>7/1/2017</u>	<u>Ending Market Value</u> <u>3/31/2018</u>
<b><u>JP Morgan Portfolio</u></b>		
Endowed Accounts		
A82968008	24,646,042	26,145,733
A85469004	1,714,038	1,064,395
S57678005	897,265	846,074
S57698003	1,131,689	1,131,043
W72363000	365	412
W72408003	2,341,749	2,586,646
N95987009	383,041	(0)
Donations awaiting transfer to pool	8,999	0
Total Endowed Accounts held within JP Morgan***	31,123,188	31,774,304
Gift Annuity		
V91738001	1,042,348	1,046,808
Current Funds	2,264,028	2,708,052
<b>Total Investment Accounts Market Value</b>	<b>34,429,563</b>	<b>35,529,164</b>
Endowed Funds Allocated Spending Account	1,030	979
Gift Annuity Cash Account		
JP Morgan 424629884	24,238	15,756
JP Morgan - SGA Investment ***	261,962	293,673
<b>Total JP Morgan Portfolio</b>	<b>34,716,793</b>	<b>35,839,573</b>
<b><u>Other Assets</u></b>		
Perpetual Trust, PNC (Landers Chair)	1,464,450	1,559,349
Old Line Bank Shares, Common Stock ***	283,914	332,475
<b><u>Cash</u></b>		
Old Line Bank Checking Account	2,496,998	3,183,395
Old Line Bank Endowment Spending Account	442,368	796,472
<b>Total</b>	<b>39,404,523</b>	<b>41,711,264</b>

\*\*\* In addition to the JP Morgan Portfolio, the Foundation Endowment includes the Old Line Bank Shares & the SGA investment

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

# Analysis of change in market value as of March 31<sup>st</sup>, 2018

St. Mary's College of Maryland Foundation – Endowment Accounts



Ending Market Value as of 6/30/2017		31,131,628
Contributions	235,988	
Withdrawals	(1,367,817)	
Management Fees	(61,252)	
Net Contributions/Withdrawals & Management Fees	(1,193,081)	
<b>Market Value Including Net Contributions/Withdrawals &amp; Management Fees</b>	<b>29,938,547</b>	
Net Gain	1,843,456	
Income	637,428	
Change in Investment Value	1,206,028	
<b>Ending Market Value as of 3/31/2018</b>	<b>31,782,003</b>	

Results shown represent 9 months as of 3/31/2018.

## Return on Investment

	Market Value	Current Allocation	CYTD	FYTD	1YR	5YR	Since 12/31/12
<b>Total Portfolio (Net of Fees)</b>	<b>31,782,003</b>	<b>100.0%</b>	<b>-0.8</b>	<b>5.7</b>	<b>7.8</b>	<b>5.8</b>	<b>6.5</b>
<i>Composite Benchmark</i>			-1.2	6.0	8.9	4.9	5.2
Equity	15,466,849	48.7%	-1.2	9.9	13.9	10.0	11.2
<i>MSCI AC World Net Index</i>			-1.0	10.1	14.8	9.2	10.1
Hedge Funds**	3,153,123	9.9%	2.3	7.7	9.6	4.4	5.1
<i>HFRI FOF: Diversified Index CM ARR</i>			0.9	5.5	5.9	3.4	3.9
Private Equity	2,212,689	7.0%	-	-	-	-	-
Real Estate & Infrastructure	1,979,921	6.2%	-5.6	-2.2	-2.9	6.3	7.2
<i>NAREIT Equity Index</i>			-6.7	-3.3	-1.1	6.7	7.9
Hard Assets	1,252,255	3.9%	2.0	7.8	7.2	-4.7	-5.1
<i>Bloomberg Commodity Total Return Index</i>			-0.4	6.9	3.7	-8.3	-8.1
Fixed Income & Cash	7,717,167	24.3%	-0.7	0.8	1.7	1.6	1.7
<i>BB U.S. Aggregate Index</i>			-1.5	-0.2	1.2	1.8	1.7

Date	Transaction	Market Value (\$)
7/3/2017	Transfer from SMCM Donation Account	8,998.87
8/14/2017	Transfer from SMCM Donation Account	1,215.06
9/12/2017	Transfer from SMCM Donation Account	2,884.04
10/18/2017	Transfer from SMCM Donation Account	346.45
11/16/2017	Transfer from SMCM Donation Account	3,809.62
12/15/2017	Transfer from SMCM Donation Account	1,000.00
12/20/2017	Transfer from SMCM Donation Account	1,980.43
12/20/2017	Transfer from SMCM Donation Account	148,266.87
1/23/2018	Transfer from SMCM Donation Account	50,242.88
2/15/2018	Transfer from SMCM Donation Account	16,441.94
2/22/2018	Transfer from SMCM Donation Account	500.00
3/19/2018	Transfer from SMCM Donation Account	301.56
<b>Contributions</b>		<b>235,987.72</b>
10/31/2017	Transfer to SMCM Current Funds Account	(212,780.54)
10/31/2017	Transfer to SMCM Savings Account	(561,910.32)
2/13/2018	Transfer to SMCM Current Funds Account	(212,779.94)
2/13/2018	Transfer to SMCM Savings Account	(380,345.83)
<b>Withdrawals</b>		<b>(1,367,816.63)</b>
<b>Management Fees</b>		<b>(61,252.00)</b>

Consists of accounts Axxxx8008, Axxxx9004 - closed, Nxxxx7009 - closed, Sxxxx8003, Sxxxx8005, Wxxxx3000, Wxxxx8003, Wxxxx0000 - closed, Wxxxx3008 - closed.

\*Composite Benchmark = From 12/31/2012 to 9/30/2014: 30.0% Barclays Global Aggregate, 5.0% Barclays T-Bill 1-3 month TR, 5.0% Bloomberg Commodity Total Return, 20.0% HFRI FOF: Diversified Index, 40.0% MSCI AC World USD Net Index. From 10/1/2014 to 12/31/2016: 30.0% Barclays Capital Aggregate, 5.0% Barclays T-Bill 1-3 month TR, 5.0% Bloomberg Commodity Total Return, 20.0% HFRI FOF: Diversified Index, 40.0% MSCI AC World USD Net Index. From 1/1/2017 to 12/31/2017: 44% MSCI ACWI, 10% HFRI FOF Diversified, 3% Bloomberg Commodity, 27% Barclays US Aggregate, 6% S&P Global REITs, 10% MSCI World. From 1/1/2018 to Present: 3% Bloomberg Commodity Total Return, 27% BB U.S. Aggregate Index, 9% MSCI World USD Net, 10% HFRI FOF: Diversified Index, 1% BB T-Bill 1-3 month TR, 6% S&P GLOBAL REIT GR USD, 44% MSCI AC World USD Net Index.

\*\*Hedge fund performance is included on a 1 month lag for all funds besides AQR Equity Market Neutral Fund.

Source: J.P. Morgan Workstation

### NOT AN OFFICIAL CONFIRMATION OR STATEMENT

For informational purposes only. This report does not represent an official account of the holdings, balances, or transactions made in your account and is being provided at your request. Please refer to your monthly account statement for the official record of all of your account activities. For question, please call your J.P. Morgan representative.



**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
INFORMATION ITEM IV.C.  
JOINT INVESTMENT ACTIVITIES**

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

The College holds investments totaling \$3.81 million consisting of Endowment and Quasi-Endowment: \$2.78 million are funds functioning as endowment (Quasi) and \$1.02 million represents the Blackistone Endowment.

Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$2.5 million as of March 31, 2018. Funds are currently invested in fixed income instruments. The rate of return over the past 12 months is 1.6%.

The remaining \$1.3 million of College endowment is currently held in a cash investment pool by the State Treasurer. Attached is a summary of the investments and the allocation goals.

The College is coordinating with 19/19 Investment Council to move funds in accordance with the asset allocations provided in the updated Investment Policy, approved by the Board of Trustees in February 2018. The College is in process of transferring \$1.0 million to 19/19 to invest in equities in accordance with the investment policy.

Attached is the implementation plan provided by 19/19 Investment Council to distribute funds in accordance with the new allocations.

## St. Mary's College of Maryland

### Endowment Fund

As of 03/31/2018

	<u>6/30/2017 Balance</u>	<u>March 2018 Balance</u>
Legg Mason / 1919 Investments	2,520,489.57	2,500,327.32
Cash with Treasurer	1,312,331.78	1,306,952.42
<b>Investable Total</b>	<b>3,832,821.35</b>	<b>3,807,279.74</b>
Other Investments	977.50	977.50
Total Investments 6/30/2017	3,833,798.85	3,808,257.24

**Components of Endowment Fund:**

Restricted Non-expendable	1,000,117.00
Restricted Expendable	19,894.00
Board Designated	2,813,787.85
Total	3,833,798.85

<b>Asset Allocation *</b>			
<b>Current</b>	<b>Lower</b>	<b>Target</b>	<b>Upper</b>
Domestic Equities	20%	30%	50%
International Equities	0%	5%	10%
Fixed Income	65.67%	50%	70%
Cash	34.33%	0%	15%
	100%	100%	145%

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

## Asset Allocation Strategy for St. Mary's College Endowment Fund

### Current Market Environment and Outlook

Risk assets had an impressive 2017 with the S&P returning 21.8% and MSCI-EAFE 25.6%. Emerging markets performed the best generating a 37.75% return. Fixed income performed respectfully as reflected by the Bloomberg Barclays U.S. Aggregate posting 3.5% for the year. While the outlook for 2018 is still positive, returns are not likely to be as strong as last year. With inflation and interest rates still relatively low, we believe the target allocation is appropriate at this time, as we do not see a recession on the horizon and economic factors continue to be supportive of corporate earnings.

### Recommendation:

- Employ target allocation of 30/5/60/5 (see table below). Rounding the amounts to make the deployment and tracking cleaner, the dollar amounts will approximate the following: \$1.1 mm Domestic Equity, \$200k International Equity, \$2.3 mm Domestic Fixed Income and the balance to cash.

### Implementation:

- Invest cash in equities over a period not to exceed 6 months utilizing a dollar cost averaging strategy and opportunistic deployment based on market conditions.
- Cash will be invested in short term fixed income securities until it is fully deployed.
- **International Equity:** We recommend utilizing a combination of Exchange Traded Funds (ETF) and actively managed mutual funds. 1919's Third Party Committee evaluates, selects and monitors the mutual funds and ETFs used in client portfolios. Where appropriate, we utilize low-cost ETFs for well-diversified exposure to more efficient equity markets such as developed international. Specifically, we recommend the Vanguard FTSE Index (Financial Times Stock Exchange/VEA). This ETF tracks the performance of a diversified group of stocks of large-, mid-, and small capitalized companies located in Canada and the major markets of Europe and the Pacific region. In the case of emerging market exposure, we believe that active management optimizes the risk/reward profile associated with rapidly growing economies with less efficient financial markets. Strong fundamental research leads to investment in rapidly growing companies while balancing country specific risks. We suggest dividing the allocation between the Harding Loevner Emerging Markets Fund (HLMEX) and the Matthews Asia Dividend Fund (MIPIX). In both cases we will utilize institutional class shares. Morningstar fact sheets for all three recommended investments are attached.
- **Domestic Equity:** After reviewing the Board approved Investment Policy Statement and St. Mary College's Mission, we believe our core domestic equity strategy will be appropriate.
- **Fixed Income:** No change to current strategy.

Table previously provided:

	Asset Allocation			
	Current	Lower	Target	Upper
Domestic Equities		20%	30%	50%
International Equities		0%	5%	10%
Fixed Income	65.50%	50%	60%	70%
Cash	34.50%	0%	5%	15%
	100%		100%	

Dated May 1, 2018

**BOARD OF TRUSTEES  
ST. MARY'S COLLEGE OF MARYLAND  
FINANCE, INVESTMENT, AND AUDIT COMMITTEE  
MEETING OF MAY 8, 2018  
INFORMATION ITEM IV.D.  
INVESTMENT MANAGER SOLICITATION**

The College and the St. Mary's College of Maryland Foundation have been collaborating to develop a RFP to seek investment manager services from a single firm for the College's and Foundation's endowed funds. The College and the Foundation will each award separate investment manager contracts. The College and Foundation anticipate that a single manager will provide administrative efficiencies, cost savings, and streamlined reporting. The Joint Investment Advisory Group (JIAC) will continue to serve as the primary entity to review the performance of the investment manager and provide oversight of the investments.

The College has drafted a RFP which was reviewed by the Foundation and the JIAC in April, 2018. The JIAC will serve as the vendor selection committee and will make award recommendations to the College and the Foundation. The College Vice President for Business and Finance will consider the JIAC recommendation in making a determination of award for a contract with the College, following normal College procurement procedures. The Foundation Board will consider the JIAC recommendation in determining the award for separate contract with the Foundation.

Attached is the projected schedule for the solicitation and award of the contracts as presented to JIAC and the Foundation Board on April 19, 2018.

St. Mary's College of Maryland  
Institutional Advancement

**Proposed Timeline for Selection of Investment Management Services**

*For Discussion April 19, 2018*

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**Selection Committee:**

Members of JIAC chaired by Michael O'Brien

Staffed by VP Chip Jackson and Foundation Executive Director Carolyn Curry/designees

**Timeline**

April 19, 2018	Review of RFP by JIAC
May 2018	Advertise RFP
June 2018	Review of technical and price proposals
July/early August	Conduct interviews
2018 August 2018	Contract awarded
January 2019	Contract implemented

**ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.**

**Date of Meeting:** May 8, 2018

**Reporter:** Jack Saum, SMCM Foundation, Inc. President

**Executive Summary:**

The SMCM Foundation met April 19, 2018. It reviewed progress toward three areas of focus for the 2017-18 giving cycle: 1) establishing a vision, mission and core values; 2) creating goals and metrics based on the College's strategic path and on an assessment of our capacity to fundraise; and 3) strengthening the St. Mary's Fund (unrestricted) to assist the President in funding Honors College 2.0 initiatives.

The Foundation has completed the first focus area by creating the following:

Vision

Our vision is to attract significant resources to foster excellence at St. Mary's College of Maryland through leadership in fundraising, prudent investing and stewardship.

Mission

The St. Mary's College of Maryland Foundation initiates, cultivates and maintains strong lifelong relationships with alumni, friends and partners by creating a culture of giving, volunteer leadership and exemplary fiduciary responsibility toward the goal of a bright future as a preferred public liberal arts honors institution.

Core Values

Integrity, Collaboration, Stewardship, Leadership

The Foundation Directors will be working over the summer to create goals and metrics that align with the College's strategic direction and reflect an assessment of the Development unit's capacity to fundraise. The St. Mary's Fund has seen an increase of 46% over last year, and an emphasis will again be placed on its value in the next giving cycle.

The Executive Director shared a report on annual fundraising metrics. As of April 19, \$1.82M has been raised toward a June 30, 2018 goal of \$1.85M with restricted program funds (academics, athletics) and named scholarships being the primary giving categories. The Board approved an FY19 budget and reviewed a report showing a 33.8% increase to the College (\$288,498) over FY18 in the endowment funds (athletics, scholarships, professorships, etc.).

The Board also heard a Joint Investment Advisory Committee report about the College releasing an RFP in May for an investment manager. The investment manager will oversee both the Foundation's and the College's endowment funds, albeit separately per the appropriate investment policies. The selection committee will be comprised of the members of JIAC, and they hope to make a recommendation in August for full implementation in January 2019.

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

**MINUTES**

**Date of Meeting:** January 22, 2018

**Status of Minutes:** Approved May 1, 2018

**Committee Members Present:** Committee Chair John Wobensmith '93, Anirban Basu, Lex Birney, Donny Bryan '73, Asif Dowla, Susan Dyer, Board Chair Sven Holmes, President Tuajuanda Jordan

**Committee Members Absent:** N/A

**Others Present:** Annie Angueira, Leonard Brown, Chris Burch, Cynthia Gross, Mary Grube, David Hautanen, Kelley Hernandez '08, Chip Jackson, Larry Leak '76, Todd Mattingly, Kortet Mensah, Mike O'Brien '68, Chris True, Jackie Wright, Anna Yates

**Executive Summary:**

The meeting was called to order at 3:03 p.m.

**DISCUSSION ITEMS**

**FY19 Operating Budget Development** The budget cycle has begun. A preliminary review of anticipated revenues and expenses based on current assumptions was provided. Based on current assumptions, the preliminary leadsheet projects a deficit of \$634 thousand. The internal budget process will be consistent with our practices to refine revenue and expense assumptions, identify reductions, and provide capacity for investing in strategic initiatives. Revenues include anticipated tuition and fees and State support from the Governor's proposed budget. State support is expected to increase by the annual inflator plus a 2% tuition buy-down. Expenses include funds for wage increases and increased healthcare costs. Additional expenses include strategic initiatives and increased utility costs. New expenses in support Honors College 2.0 will be incorporated during the budget process. A balanced budget will be presented to the Board for approval at the May meeting.

**INFORMATION ITEMS**

FY18 financial results to date indicate that we have achieved 87.3% of budgeted revenue for the year. Tuition and fees revenue is 7.3% less due to lower enrollment, which also accounts for a 6% lower auxiliary enterprise revenue. Expenses are 3.2% lower than this time last year due to expense reductions.

The Governor released the FY19 operating and capital budgets on January 17<sup>th</sup>. The College received its full request, which included \$25.6 million in State funds. Additionally, the Governor proposed \$0.32 million in tuition relief funding. The Governor's Five-Year Capital Improvement Plan fully funds our request, including \$0.5 million in FY19 to support the slave-quarter commemoration project.

The College is moving forward with replacing its Enterprise Resource Planning System. Selection and award of the new system will take place in the spring.

Michael O'Brien '68, chair of the Joint Investment Advisory Committee presented the Foundation report.

**ACTION ITEMS**

**Action Item II.A. Investment Policy Revision**

The Investment Policy was initially approved by the Board in 1997 and updated in 2003. The proposed revision will update the Policy to reflect current needs. The draft revision was prepared in consultation with the College's current investment manager, 19/19 Investment Council and has been reviewed with the Finance, Investment, and Audit Committee in October 2017 and the Joint Investment Advisory Committee in November 2017. The College will join the Foundation to search for a single, common investor, though each will have a separate policy that reflects their respective goals. The action item passed unanimously.

The meeting adjourned at 3:31 p.m.