



**FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019**

**OPEN SESSION
AGENDA**

I. DISCUSSION ITEMS

- A. Dashboards
- B. Overview of Legislative Session (Operating and Capital Budgets)

II. ACTION ITEMS

- A. Approval of FY 20 Budgets
 - 1. FY20 Current Fund (Operating) Budget
 - 2. FY20 Plant Fund (Capital) Budget
 - 3. FY21-FY25 State Capital Budget Proposal
- B. FY20 Tuition, Fees, Room and Board Rates
- C. Handbook Policy Revision: Family Medical Leave Act Extension

III. INFORMATION ITEMS

- A. FY 2019 Financial Results to Date
- B. Reportable Procurement Items
- C. Joint Investment Advisory Activities
- D. Foundation President Report
- E. Minutes (Meetings of December 13, 2018 and January 22, 2019)

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

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

Date of Meeting: April 17, 2019

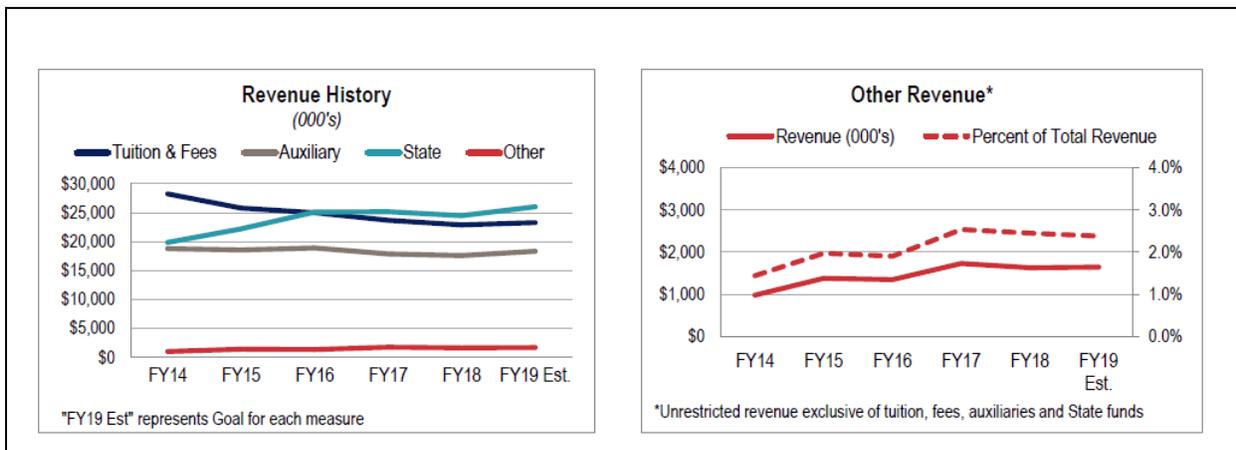
Date of Next Meeting: TBD

Committee Chair: John Wobensmith '93

Committee Members: Anirban Basu, Lex Birney, Donny Bryan '73, Liza Gijanto, Board Chair
 Sven Holmes, President Tuajuanda Jordan

Staff Member: Paul Pusecker

Dashboard Metrics



Executive Summary

Discussion Items

Results of Legislative Session

The Legislature approved the Governor's FY20 Operating Budget for the College, which provides \$27.2M in State funds, an increase of \$1.2M (4.7%). Increases in State support include \$0.72M representing the Block Grant inflator and \$0.50M to support wage funding.

The State did not provide tuition buy-down funding to SMCM, USM, or MSU in FY20. The Governor, however, did restrict institutions from increasing tuition more than 2% for Maryland residents.

The FY20 budget includes contingent funding for the DeSousa Brent Scholars Program (\$0.8M). DeSousa Brent funds for FY20 were placed in the Maryland Higher Education Commission's budget pending the outcome of the 2015 cohort's graduation results. If the College achieves the required 70% four-year graduation rate for this cohort, the funds will be

transferred to the College and become a permanent part of the College's General Fund Grant beginning in FY21.

The Legislature approved the Governor's proposed Capital Budget for the College, fully funding our request of \$17M. The State appropriated \$13.2M in FY20 to begin construction of the new academic building and auditorium. Additionally, the legislature pre-authorized \$45.2M in FY21 and FY22 to complete construction of the facility. The legislature appropriated \$3.8M in FY20 to continue support of Campus Infrastructure Projects.

Information Items

FY19 Financial Results to Date

Total revenue is 2.7% higher year-to-year. Tuition and fee revenues are 3.3% higher reflecting higher counts and rate changes. Auxiliary Enterprise revenues are 0.5% higher overall reflecting somewhat lower student counts and rate changes. State Appropriations are 100%. Interest income is 41.8% higher than the prior year due to timely transaction processing in the Treasurer's Office this year as compared to last year. Overall revenue collections currently equal 98.3% of the budgeted level, which is slightly ahead of the same point in time last year.

Overall, expenditures in FY19 are running 2.7% lower than the equivalent period last year. All expenditure categories fall within expected changes year-to-year with the exception of scholarships, which are 10.3% higher than budget and 11.1% higher than prior year actuals.

Joint Investment Advisory Activities

As of January 31, 2019, the total market value of the Foundation's endowment is \$ 32.5M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$32M), the Student Investment Group (SIG) account (\$296K), and Old Line Bank shares (\$272K).

Of the endowment managed by JP Morgan, the fiscal year-to-date reduction in market value of \$333K includes \$505K in contributions, \$404K in income, \$525K decrease in investment value and \$717K of withdrawals. The overall rate of return current fiscal year-to-date is -0.4 %. Attached is the consolidated investment statement.

The College holds investments totaling \$3.91M consisting of Endowment and Quasi-Endowment. \$2.89M are funds functioning as endowment (Quasi) and \$1.02M represents the Blackstone Endowment.

Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$3.53M as of January 31, 2019. Funds are currently invested in a mix of fixed income instruments and equities. The annualized rate of return for the seven-month period between 6/30/2018 and 1/31/2019 is 1.03%.

The remaining \$0.4M of College endowment is currently held in a cash investment pool by the State Treasurer.

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

Action Item II.A.1. Approval of the FY20 Current Fund (Operating) Budget:

The proposed FY20 Operating Budget totals \$70.57M. State funds total \$27.2M including \$0.72M of inflator funding, \$0.30M in annualizing the FY19 wage supplement, and \$0.50M to supplement wages in FY20.

Using a projected total student full-time enrollment of 1,435 students, the proposed FY20 Operating Budget is based on 1,406 full-time undergraduate students, representing 98% of the projected total enrollment. The budgeted enrollment projection is 20 less than the prior year assumptions. Tuition rates for both in-state and out-of-state students increase 2% and auxiliary fees increase 3%.

With the rate changes and additional State support, approximately \$1.07M of expense reductions are incorporated into the proposed FY20 operating budget to allow funds for faculty and staff salary changes, required expenditure changes, and strategic planning priorities.

Action Item II.A.2. Approval of the FY20 Plant Fund (Capital) Budget:

The Finance, Investment, and Audit Committee will recommend approval of the FY20 Plant Budget in the amount of \$1.36M to the Board of Trustees contingent on favorable endorsement by the Buildings and Grounds Committee at its meeting on May 7, 2019. Proposed Priority A FY20 Plant Projects are the highest unfunded priorities. Pending action of the Finance, Investment, and Audit Committee on April 17, 2019, the amount of funding available for the FY20 plant budget is \$1.36M. The sole source of funding comes from the student facility fee.

Action Item II.A.3. Approval of the FY21-FY25 State Capital Budget Proposal:

The proposed FY21-FY25 State-funded capital budget includes a continuation of funding for the New Academic Building and Auditorium and various Campus Infrastructure Improvements. The College will also request funding for the design and construction of the Montgomery Hall renovations and construction funds for a limited renovation of Goodpaster Hall.

Action Item II.B. Approval of the FY20 Tuition, Fees, Room and Board Rates:

The Finance, Investment, and Audit Committee recommends that the Board of Trustees authorize student rates for FY20 (academic year 2019-2020) as per the attached Tuition and Fee Schedule. The recommended tuition rates for Maryland resident undergraduate students increase 2% from FY19. Tuition rates for non-resident undergraduate students, DC residents, and MAT students also increase 2%. Fees, room, and board charges increase 3%.

Action Item II.C. Employee Handbook Revision: Family Medical Leave Policy Revision

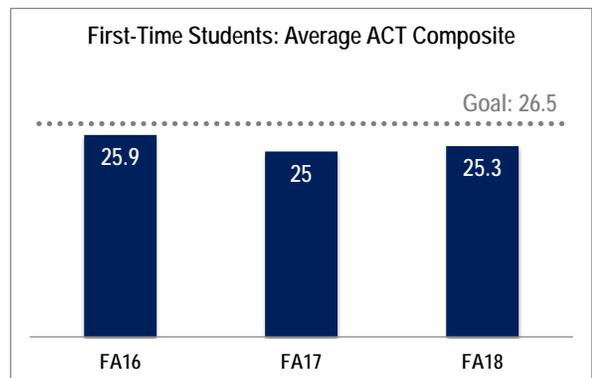
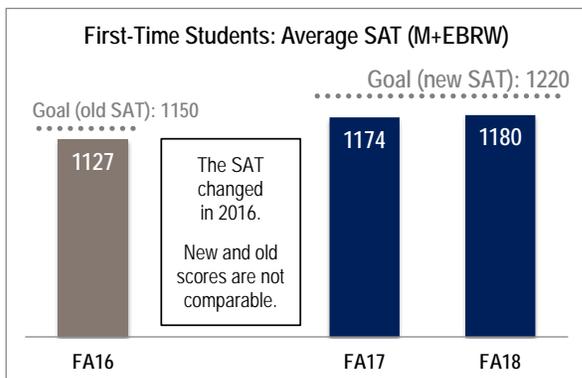
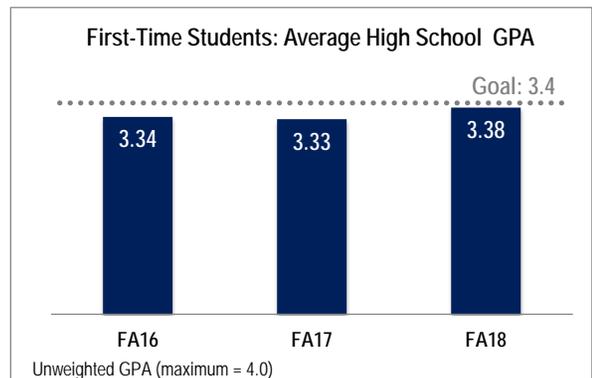
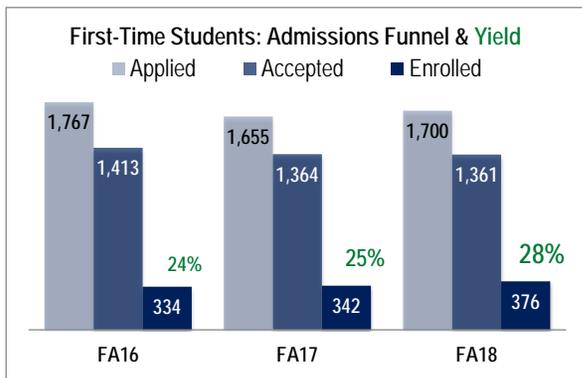
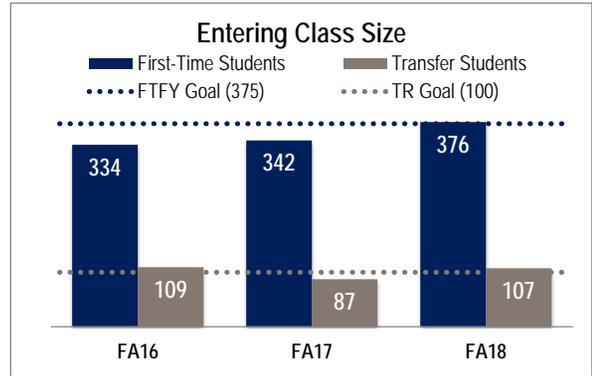
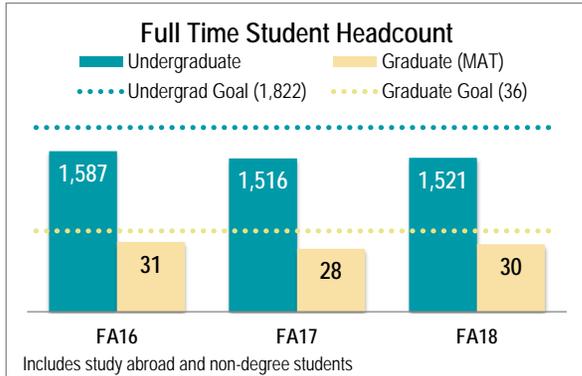
The updated policy includes a provision to permit extended family medical leave beyond the 12 weeks mandated under the Family Medical Leave Act. The revised Policy will reflect the current and past practices of permitting extended family medical leave to employees in accordance with the Memorandum of Understanding between the College and AFSCME.

BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
DISCUSSION ITEM I.A.
DASHBOARDS



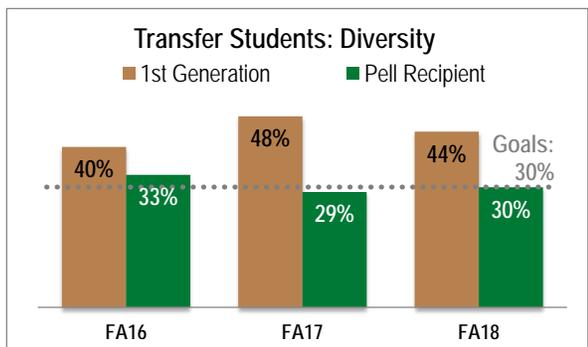
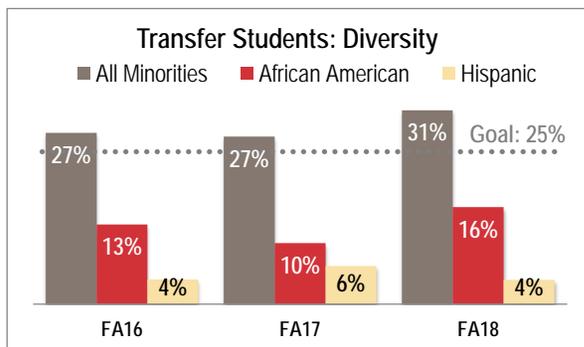
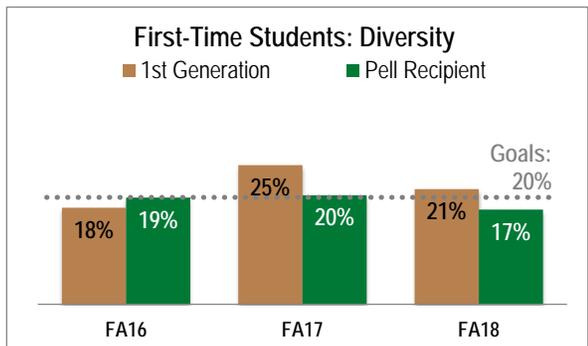
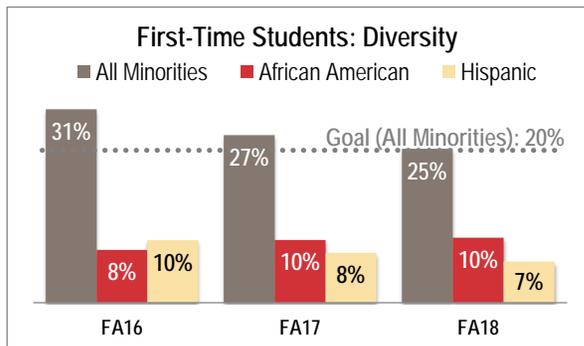
Student Characteristics in Enrollment

Fall 2018 figures based on final census (freeze) data, 9/24/18



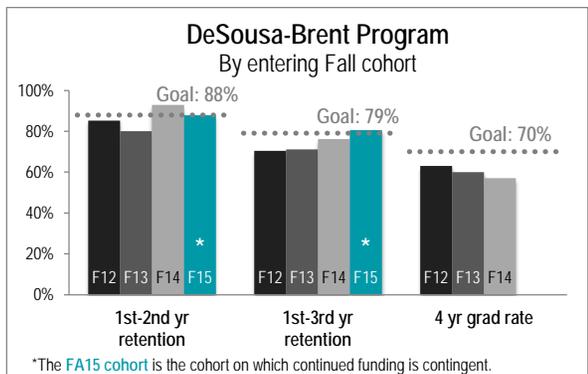
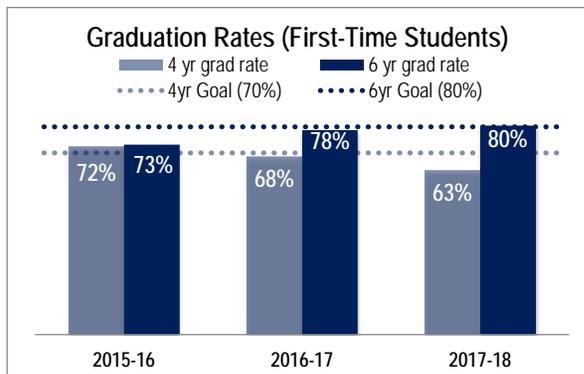
Student Characteristics in Enrollment

Fall 2018 figures based on final census (freeze) data, 9/24/18



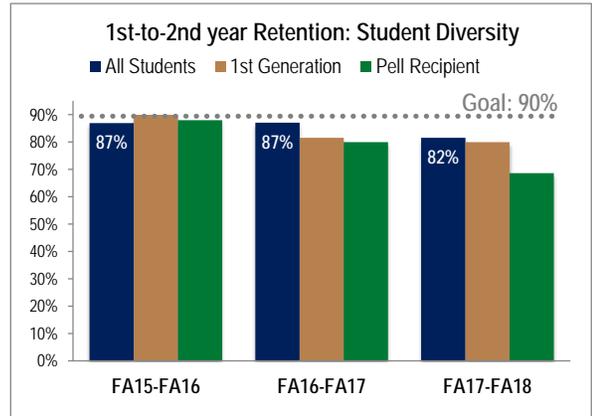
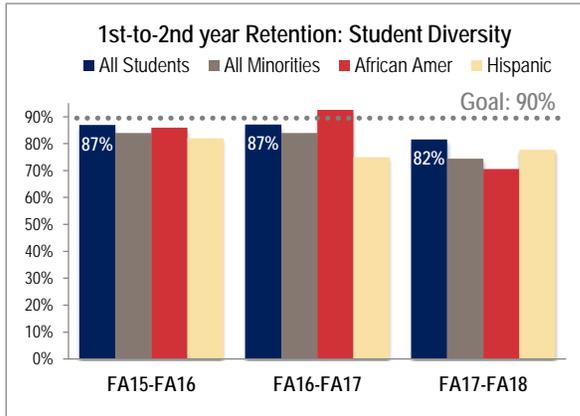
Student Retention and Persistence

Fall 2018 figures based on final census (freeze) data, 9/24/18

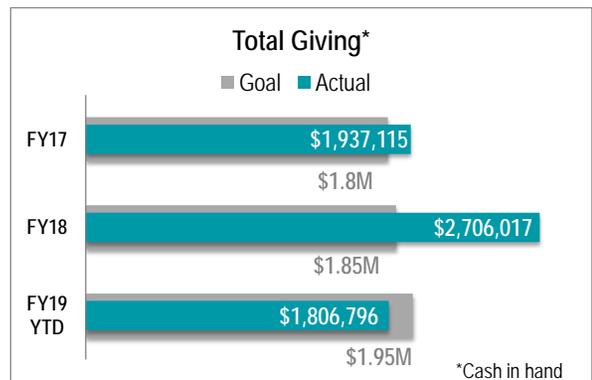
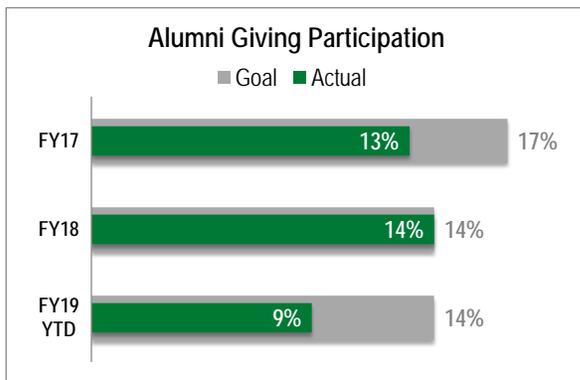
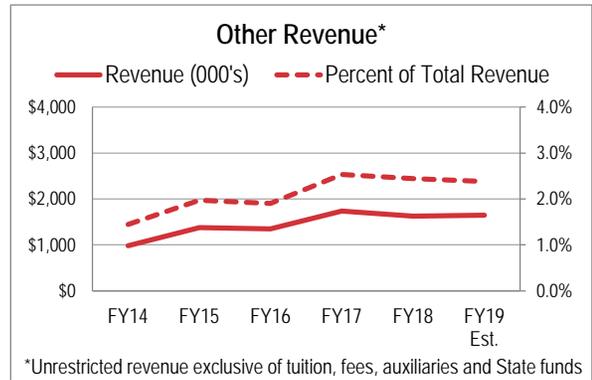
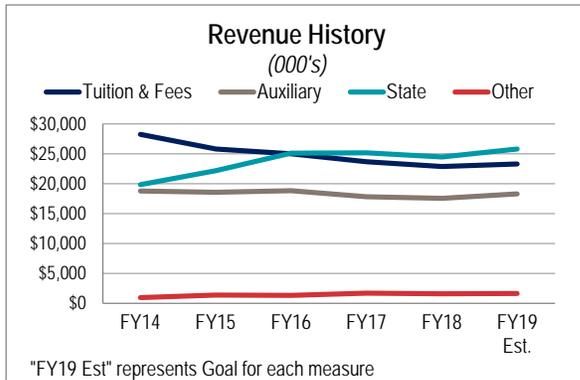


Student Retention and Persistence

Fall 2018 figures based on final census (freeze) data, 9/24/18

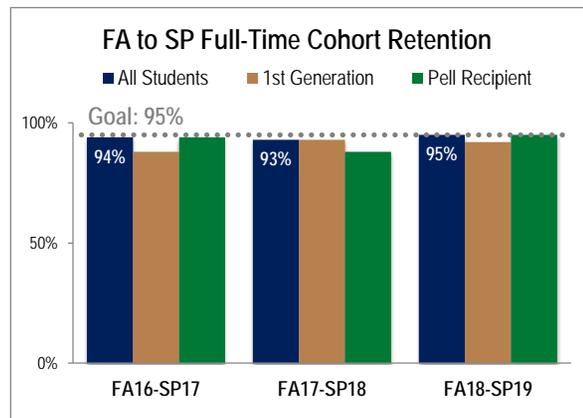
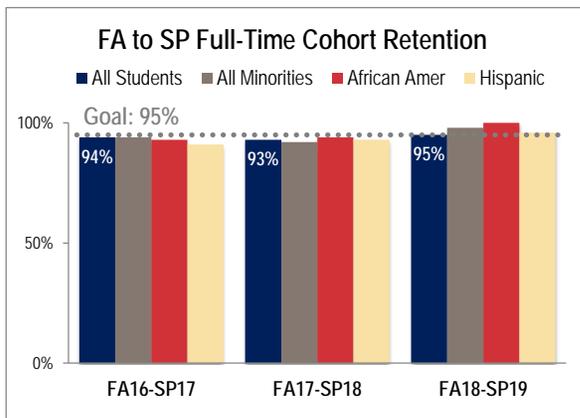
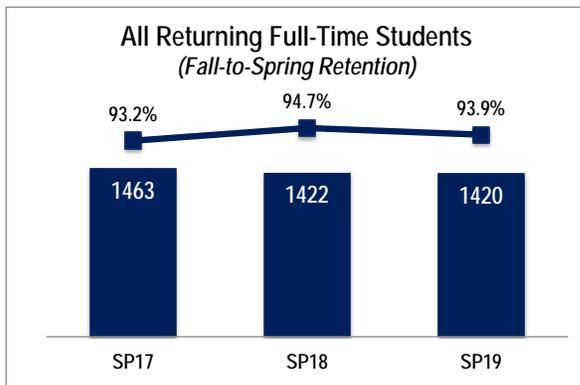
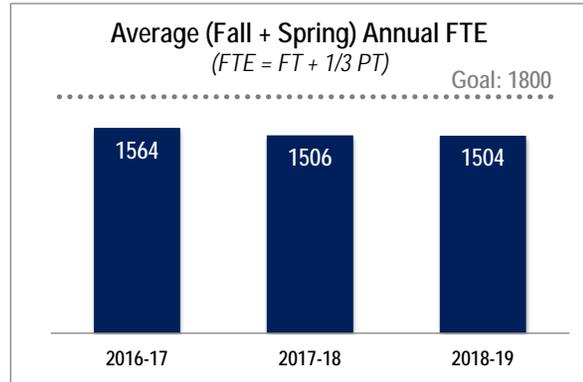
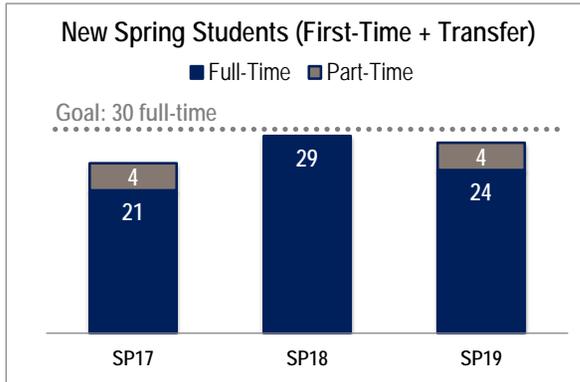


Revenue and Fundraising



Spring Semester Enrollment and Persistence

Spring 2019 figures based on final census (freeze) data, 2/11/19



**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING APRIL 17, 2019
DISCUSSION ITEM I.B.
OVERVIEW OF THE 2019 LEGISLATIVE SESSION**

Fiscal Year 2020 Operating Budget

The Legislature approved the Governor's FY20 Operating Budget for the College, which provides \$27.2M in State funds, an increase of \$1.2M (4.7%). Increases in State support include \$0.72M representing the Block Grant inflator and \$0.50M to support wage funding. The State did not project increases in health insurance expenses for FY20.

Tuition Support: The State did not provide tuition buy-down funding to SMCM, USM, or MSU in FY20. The Governor, however, did restrict institutions from increasing tuition more than 2% for Maryland residents.

DeSousa Brent Funding: The FY20 budget includes contingent funding for the DeSousa Brent Scholars Program (\$0.8M). DeSousa Brent funds for FY20 were placed in the Maryland Higher Education Commission's budget pending the outcome of the 2015 cohort's graduation results. If the College achieves the required 70% four-year graduation rate for this cohort, the funds will be transferred to the College and become a permanent part of the College's General Fund Grant beginning in FY21. If the College does not achieve the required graduation rate, the funds will be permanently cut from the College's State budget.

SMCM FY20 Operating Budget Summary
(\$ in Thousands)

Current Year (FY19)	\$25,950
FY20 DeSousa Brent Funds	\$(800) (contingent - held by MHEC)
FY20 Inflator	\$ 724
FY20 COLA Contribution	<u>\$ 502</u>
Total FY20 State Funds	\$26,376
DeSousa Brent Funds	<u>\$ 800</u> (contingent)
Total Potential FY20 State Funding	\$27,176

Fiscal Year 2020 Capital Budget

The Legislature approved the Governor's proposed Capital Budget for the College, fully funding our request of \$17M.

New Academic Building and Auditorium: The State appropriated \$13.2M in FY20 to begin construction of the new academic building and auditorium. Additionally, the legislature pre-authorized \$45.2M in FY 21 and FY22 to complete construction of the facility.

Infrastructure Improvements: The legislature appropriated \$3.8M in FY20 to continue support of Campus Infrastructure Projects, including out-year projections in the Governor’s five-year capital improvement plan. This multi-year project is expected to provide approximately \$17M in State funding through FY24.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
ACTION ITEM II.A.1.
RECOMMENDATION TO APPROVE FY20 CURRENT FUND
(OPERATING) BUDGET**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the attached current fund (operating) budget for FY20.

RATIONALE

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached FY20 current fund budget will allow the College to continue its mission of providing a high quality, public, post-secondary education.

The proposed FY20 Operating Budget totals \$70.57M. State funds total \$27.2M including \$0.72M of inflator funding, \$0.30M in annualizing the FY19 wage supplement, and \$0.50M to supplement wages in FY20.

Using a projected total student full-time enrollment of 1,435 students, the proposed FY20 Operating Budget is based on 1,406 full-time undergraduate students, representing 98% of the projected total enrollment. The budgeted enrollment projection is 20 less than the prior year assumptions. Tuition rates for both in-state and out-of-state students increase 2% and auxiliary fees increase 3%.

With the rate changes and additional State support, approximately \$1.07M of expense reductions are incorporated into the proposed FY20 operating budget to allow funds for faculty and staff salary changes, required expenditure changes, and strategic planning priorities.

St. Mary's College of Maryland
FY20 Operating Budget
Supporting Documentation Table of Contents

- Exhibit A: Budget Item for BOT Approval
- Exhibit B: Key Budget Assumptions
- Exhibit C: FY20 Budget Leadsheet
This schedule describes revenues by source and all additional expenditure items by type for the Current Fund Unrestricted only.
- Exhibit D: FY20 Budget Crosswalk
This schedule describes year-to-year changes in revenue and expenditure items for the Current Fund Unrestricted only.
- Exhibit E: Pie Chart: FY20 Current Fund Unrestricted (CFU) Budgeted Revenue by Source
- Exhibit F: Pie Chart: FY20 CFU Budgeted Expenditures by Program
- Exhibit G: Pie Chart: FY20 CFU Budgeted Expenditures by Object
- Exhibit H: Bar Chart Five-Year Comparative Expenditures by Program
- Exhibit I: Bar Chart Five-Year Comparative Expenditures by Object
- Exhibit J: Reconciliation of State Appropriation
- Exhibit K: FY20 CFU Budget for Contingency Items
This schedule provides information about the contingency funds included in the current fund unrestricted budget.
- Exhibit L: FY20 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.

St. Mary's College Of Maryland
FY20 Operating (Current Fund) Budget - Exhibit A

	FY20 Current Fund Unrestricted (CFU)		FY20 Current Fund Restricted (CFR)		April Action Item FY20 Current Fund Total		Prior Year Beginning Budget FY19 Current Fund Total			
	Proposed Budget	% Of Total	Proposed Budget	% Of Total	Proposed Budget	% Of Total	July 2018 Budget	% Of Total	\$ Change	% Change
Revenue										
Tuition	20,031,340	28.4%		0.0%	20,031,340	26.4%	20,144,822	27.0%	(113,482)	-0.56%
Fees	3,133,195	4.4%		0.0%	3,133,195	4.1%	3,131,370	4.2%	1,825	0.06%
State Grant (Appropriation)	27,175,558	38.5%		0.0%	27,175,558	35.8%	26,036,828	34.9%	1,138,730	4.37%
Gifts And Grants	0	0.0%	5,300,000	100.0%	5,300,000	7.0%	5,300,000	7.1%	-	0.00%
Sales & Services-Educational	812,835	1.2%		0.0%	812,835	1.1%	800,039	1.1%	12,796	1.60%
Endowment/Investment	585,000	0.8%		0.0%	585,000	0.8%	516,000	0.7%	69,000	13.37%
Foundation Unrestricted Support	75,000	0.1%		0.0%	75,000	0.1%	75,000	0.1%	-	
Sales & Services-Auxiliary	18,506,731	26.2%		0.0%	18,506,731	24.4%	18,335,617	24.6%	171,114	0.93%
Other	254,400	0.4%		0.0%	254,400	0.3%	254,400	0.3%	-	0.00%
Total Revenue	70,574,059	100.0%	5,300,000	100.0%	75,874,059	100.0%	74,594,076	100.0%	1,279,983	1.72%
Expenditures										
Instruction	20,250,568	28.7%	566,136	10.7%	20,816,704	27.4%	20,867,798	28.0%	51,094	0.24%
Research	0	0.0%	196,215	3.7%	196,215	0.3%	196,215	0.3%	-	0.00%
Public Service	98,404	0.1%	14,541	0.3%	112,945	0.1%	112,945	0.2%	-	0.00%
Academic Support	2,226,545	3.2%	14,526	0.3%	2,241,071	3.0%	2,241,887	3.0%	816	0.04%
Institutional Support	15,010,277	21.3%	536,082	10.1%	15,546,359	20.5%	14,944,038	20.0%	(602,321)	-4.03%
Student Services	7,152,996	10.1%	296,236	5.6%	7,449,232	9.8%	6,818,038	9.1%	(631,194)	-9.26%
Plant Operation And Maintenance	4,832,891	6.8%	411,290	7.8%	5,244,181	6.9%	5,348,219	7.2%	104,038	1.95%
Scholarships/Grants	7,751,322	11.0%	3,264,974	61.6%	11,016,296	14.5%	10,001,646	13.4%	(1,014,650)	-10.14%
Auxiliary Enterprises	13,376,056	19.0%	0	0.0%	13,376,056	17.6%	14,063,290	18.9%	687,234	4.89%
Total Expenditures	70,699,059	100.2%	5,300,000	100.0%	75,999,059	100.2%	74,594,076	100.0%	(1,404,983)	-1.88%
Transfers In (Out)										
Plant - Transfer from Plant Fund	125,000	0.2%	0	0.0%	125,000	0.2%	0	0.0%		
Quasi Endowment	0	0.0%	0	0.0%	0	0.0%	0	0.0%		
Total Transfers	125,000	0.2%	0	0.0%	125,000	0.2%	0	0.0%	(125,000)	
Total Expenditures & Transfers	70,574,059	100.0%	5,300,000	100.0%	75,874,059	100.0%	74,594,076	100.0%		
Budget Year Increase (Decrease in Fund Balance)	0		0		0					
Total Increase (Decrease) in Fund Balance	0		0		0					

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

Note 2: For FY19, The CFU expenditure budget contains \$461K in unallocated/contingency and \$1.5M. Study Abroad Contingency.

FY2020 Key Budget Assumptions Exhibit B

REVENUES

The FY20 revenue budget has increased \$1.52M (2.19%) over the FY19 revenue budget (September revision) primarily due to slightly lower enrollment, an increase in State support, and increased students rates for tuition and auxiliary charges. The FY20 budget is based on 1,406 full-time students net of international activity, 20 less than budgeted for FY19. Enrollment counts are budgeted at 98% of projected enrollment. Tuition rates rise 2% over equivalent FY19 levels for both resident and non-resident students.

The State appropriation increases \$1.2M over the FY19 representing the Block Grant inflator and COLA related wage and benefit funds. Overall, State support increases 4.72%.

Auxiliary Enterprise revenue increases \$171K as residence hall and dining rates increase by 3% and student counts for dining and bookstore decrease to align with recent enrollment experience. The St. Mary's College of Maryland Foundation provides \$75K in unrestricted support. Foundation support also includes a total of \$139K in expense offsets including endowed chairs and staff support.

EXPENDITURES

The FY19 current fund unrestricted expenditure budget increases a total of \$1.52M (2.2%) over the FY19 expenditure budget consisting of a salary pool for wage increases largely effective 7/1/2019 and new strategic initiatives, less reallocations, reductions, and savings. Significant additions and reductions are shown in the FY19 Budget Crosswalk (Exhibit D). Position counts decrease by seven.

Significant savings include debt service related to the refinance completed in July 2018 and faculty personnel savings due to retirements. Permanent approved position counts decrease seven to 423. Funds are provided for faculty tenure and promotion, as well as a similar pool for administrative employees.

St. Mary's College of Maryland
FY20 Budget Crosswalk
Revenue Sources vs. Uses and Reallocations
Exhibit D

REVENUE:

General Fund Grant Inflator	723,706
FY19 Revision due to health insurance cut	(235,436)
Annualization of FY19 wage funding	296,920
General Fund Grant - COLA wage contribution	502,000
Tuition rates	375,494
Fees - rates & other	112,480
Room & Board - rates	311,812
Total Revenues	2,086,976

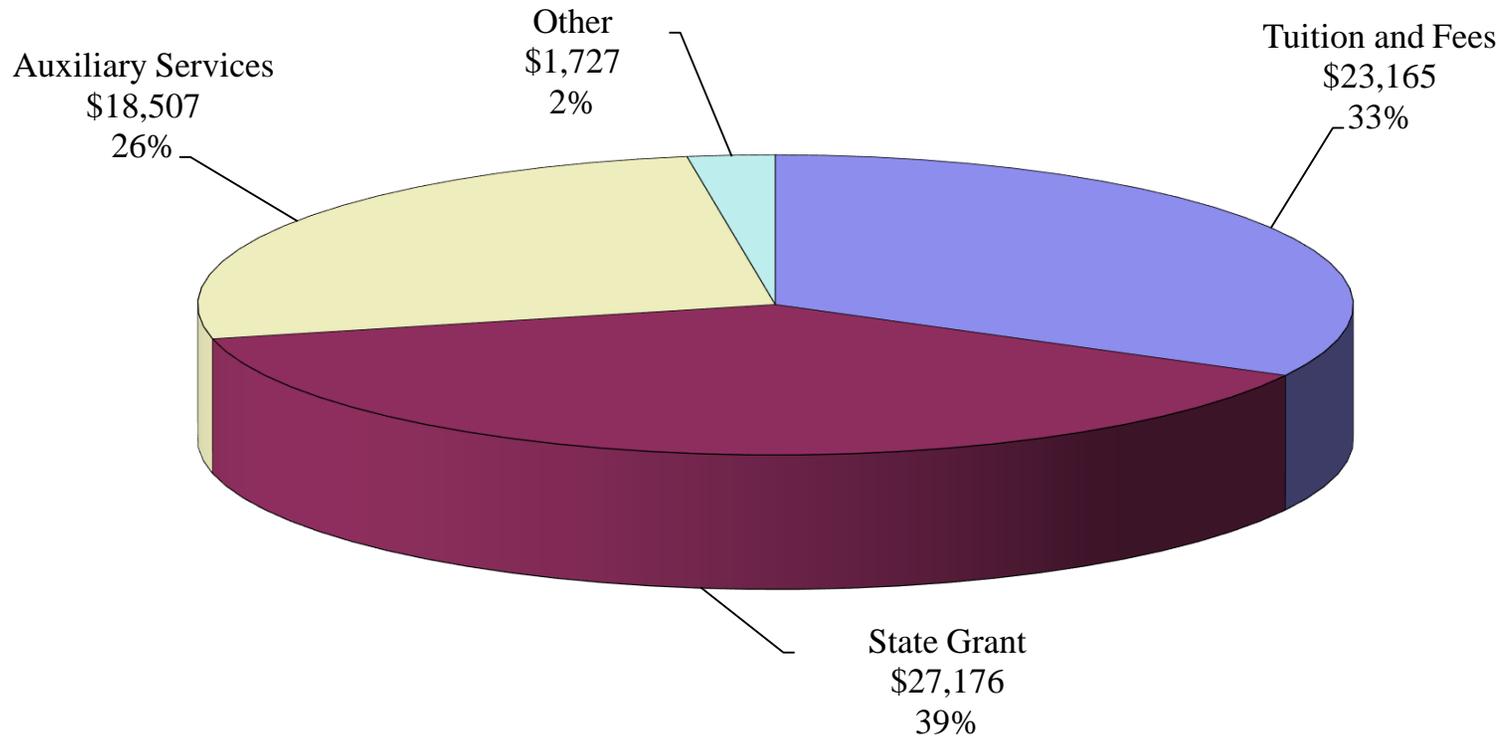
Reduced or Increased Revenue

<u>Count change from 1,426 to 1,406</u>	
Tuition -20	(242,320)
Fees -20	(60,160)
Room -20	(157,000)
Board -20	(114,900)
<u>Mix change in- vs. out-of-state</u>	
Fewer out-of-state students - 9	(253,728)
Increase in-state percentage +9	109,044
Other changes	147,507
	<u>(571,557)</u>
Total Change in Revenues	1,515,419

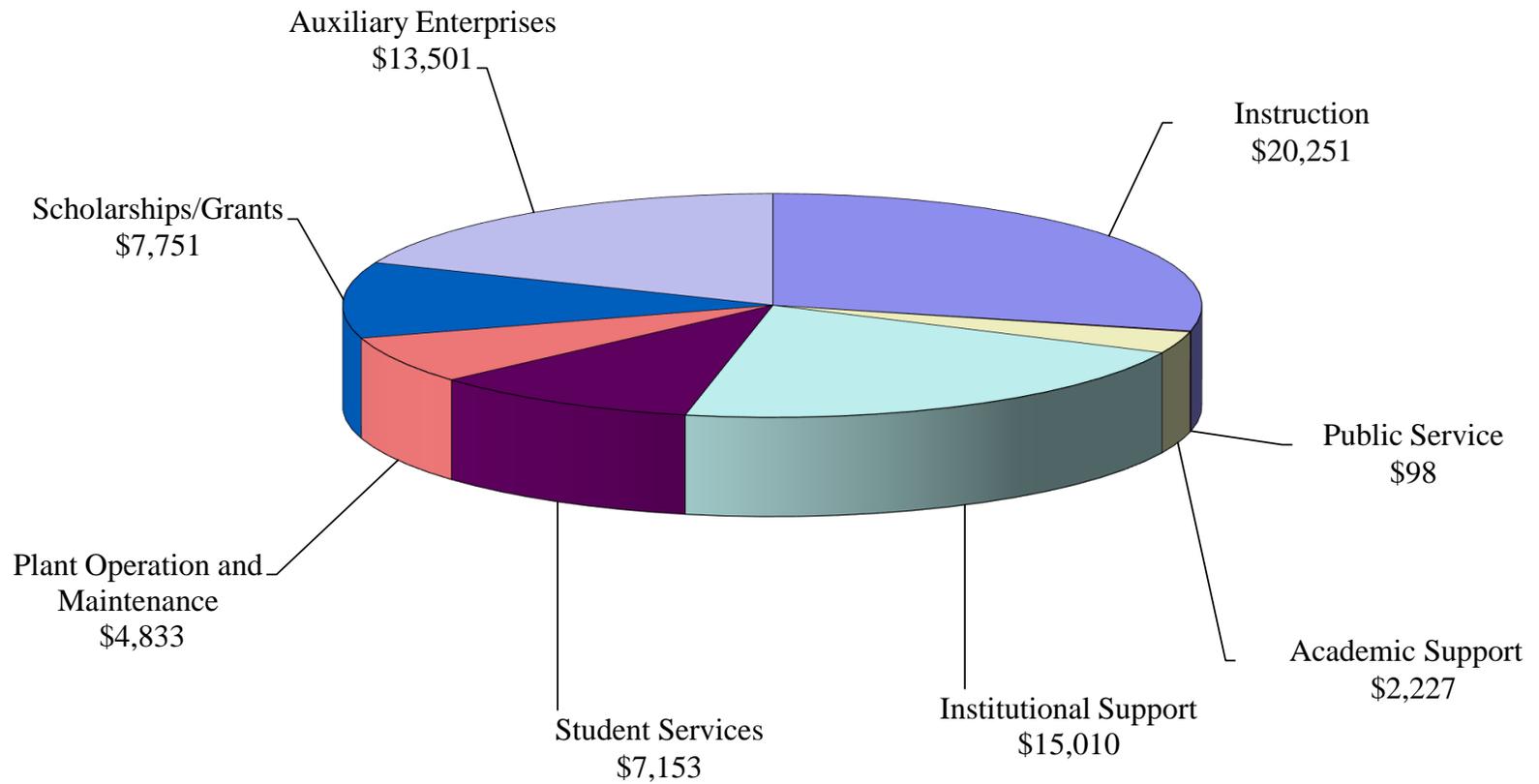
Uses

Wage plan - FY20	755,563
Annualization of FY19 salary changes effective 1/1	442,000
Additional .5% awarded 4/1/2019	150,753
Excess allocated to contingency	119,141
Reductions by Vice President - personnel	(719,945)
Reductions by Vice President - non-personnel	(223,988)
Scholarships	1,019,000
CORE 103,104, LEAD	123,200
Marketing initiatives	300,000
Enrollment management	150,000
Continuing operations costs	265,390
Miscellaneous other	67,838
Ongoing debt savings	(402,164)
One-time debt savings	(531,369)
	<u>1,515,419</u>

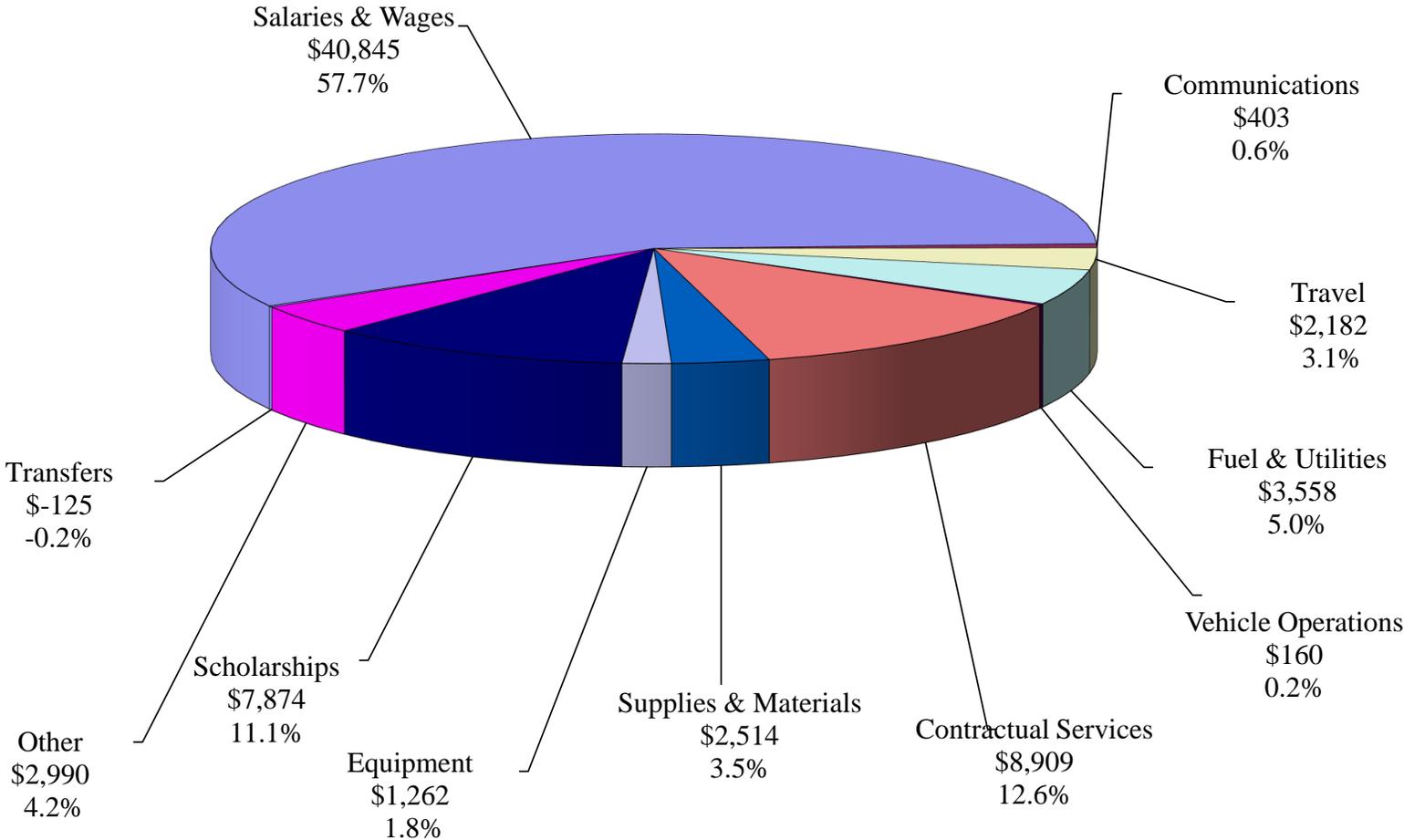
**SMCM FY20 Operating Budget
CFU Revenues by Source
Exhibit E
(\$000s)**



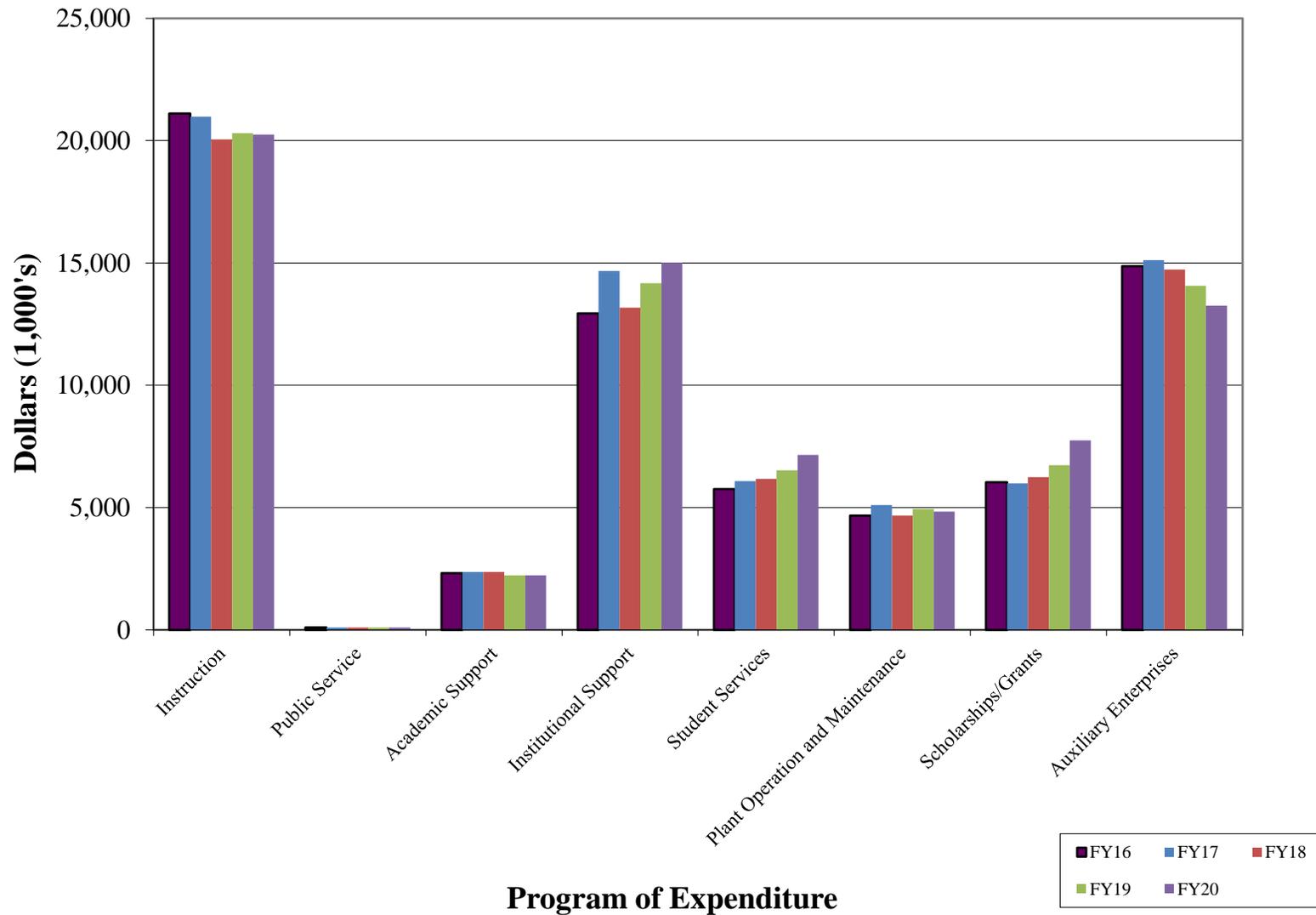
**SMCM FY20 Operating Budget
Unrestricted Expenditures by Program
Exhibit F
(000's)**



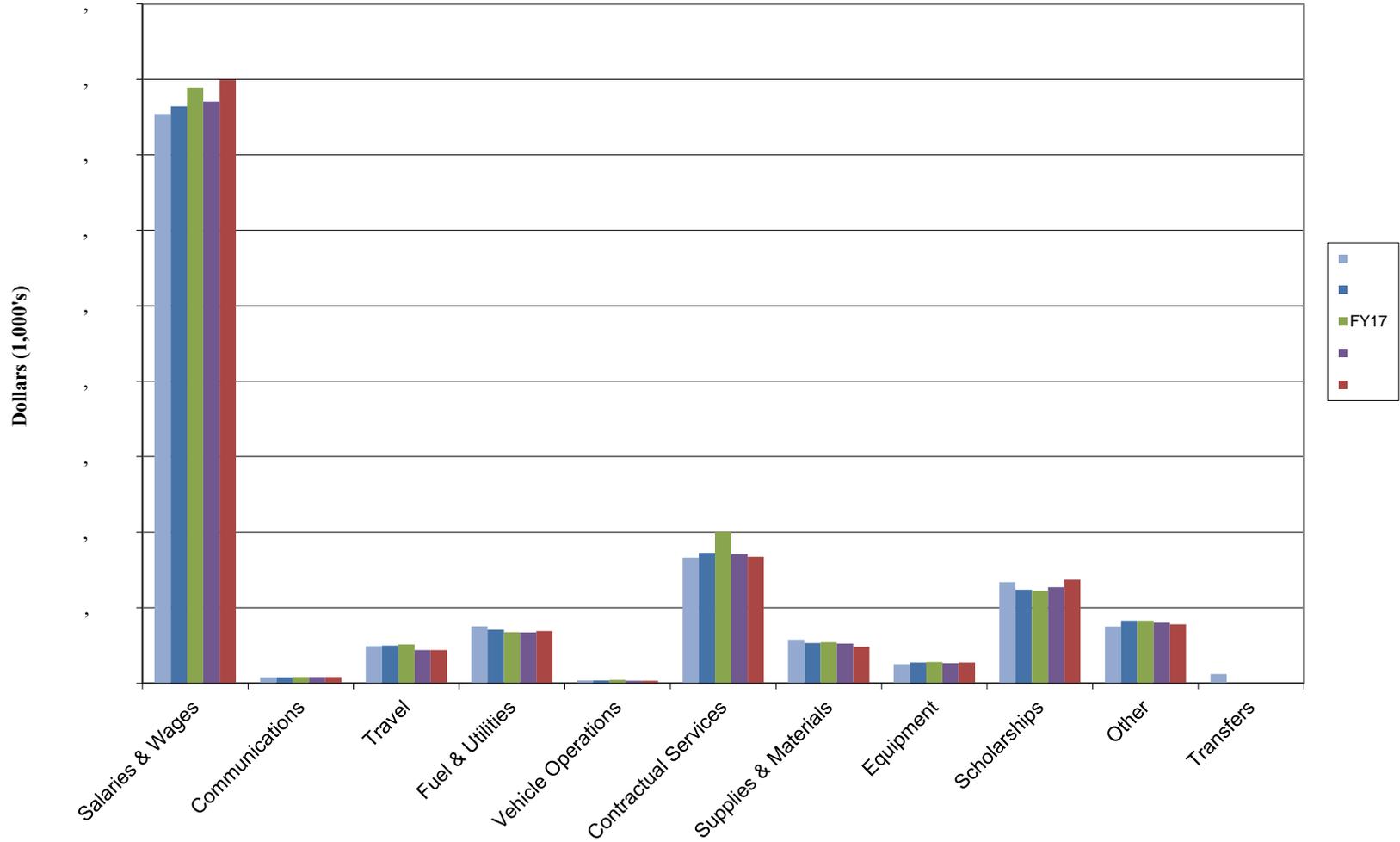
**SMCM FY20 Operating Budget
Unrestricted Expenditures by Object
Exhibit G
(\$000s)**



SMCM Five-Year Operating Budgets - Exhibit H



SMCM Comparative Operating Budget - Exhibit I



Expenditure by Object

St. Mary's College of Maryland
FY20 Operating Budget
Exhibit J
Reconciliation of State Appropriation (General Fund Grant)

	Results of 2019 Legislative Session	
Beginning Base for FY19	25,652,932	
Annualization of FY19 Wage supplement	296,920	
Beginning Base for FY19	25,949,852	
<u>FY19 Adjustments</u>		
Inflator	723,706	2.79%
Wage Supplement	502,000	
Total Adjustments	1,225,706	4.72%
Allowance	27,175,558	
Net Increase FY19 Start to FY20 Start	1,522,626	5.9%

St. Mary's College of Maryland
FY20 CFU Contingency Items
Exhibit K

Item	Amount
Institutional Contingency Balance	461,027
Institutional Contingency Amount	461,027
<u>Study Abroad</u>	
International Signature Programs	1,267,079
Study Tours	200,000
<i>(Both international programs and tours are offset by anticipated revenues)</i>	
Total Contingency Items	\$ 1,928,106

St. Mary's College of Maryland
FY20 CFU Planned Expenditures Greater than
\$100,000 each to a Single Vendor
Exhibit L

Description	Vendor	Estimated Amount
<u>IT & Library Related</u>		
Administrative Software Campus Management	TBD	1,900,000
University of Maryland Acad. Telecom. Sys. - Internet	Network Maryland	120,000
Life Cycle Replacements	Dell	260,000
Administrative Systems	Jenzabar	130,000
Library Mgt. System	USM & Affiliated Institutions (USMAI)	135,000
Library Databases	Lyrasis	190,000
Library Serials	Ebsco	265,000
		<u>3,000,000</u>
<u>Maintenance & Utilities</u>		
Housekeeping Services	Shine Brite	220,000
Sewage Services	METCOM	285,000
Electricity	SMECO	1,600,000
Postage	US Postal Service	142,000
Heating Oil	Burch Oil	740,940
Trash Disposal	Waste Management	120,000
		<u>3,107,940</u>
<u>Auxiliaries, International & Misc.</u>		
Bookstore Cost of Goods Sold	Nebraska Book Company	90,000
Marketing	Creative Communications	300,000
Strategic Search	Enrollment Management	150,000
Food Service Contract	Bon Appetit	4,578,350
Bus Service, Athletics Teams	Keller Transportation	158,000
Publication Printing	Awarded among a pool of three (Carter, Tray Printing or Schmitz Press)	200,000
		<u>5,476,350</u>
		<u>11,584,290</u>
	Grand Total	<u>11,584,290</u>

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
ACTION ITEM II.A.2.
APPROVAL OF THE FY20 PLANT FUND (CAPITAL) BUDGET**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the FY20 Plant Budget in the amount of \$1.36M, contingent on favorable endorsement by the Buildings and Grounds Committee at its meeting on May 7, 2019.

The Committee on Buildings and Grounds will consider the proposed Priority A FY20 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 an FY20 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 were forwarded to the Finance, Investment, and Audit Committee for funding consideration. Pending action of the Finance, Investment, and Audit Committee on April 17, 2019, the amount of funding available for the FY20 plant budget is \$1.36M. The sole source of funding comes from the student facility fee.

Background information is attached and includes a description of each Priority A project, a list of potential miscellaneous projects, and a summary of plant budget expenditures through March 31, 2019.

**ST. MARY'S COLLEGE OF MARYLAND
 FY20 PLANT PROJECT SUMMARY
 PRIORITY A PROJECTS LIST**

	Estimated Cost
Major Capital Projects	
Miscellaneous Capital Projects less than \$200,000	\$ 178,000
<i>Subtotal</i>	\$ 178,000
Maintenance and Repair	
Miscellaneous Maintenance and Repair Projects less than \$200,000	\$ 439,330
<i>Subtotal</i>	\$ 439,330
Program Support	
Miscellaneous Projects less than \$200,000	\$ 230,000
<i>Subtotal</i>	\$ 230,000
Residence Hall Renewal Program	
Miscellaneous Residence Hall Projects less than \$200,000	\$ 514,500
<i>Subtotal</i>	\$ 514,500
FY20 PRIORITY A PROJECTS	\$1,361,830

**ST. MARY'S COLLEGE OF MARYLAND
 FY20 PLANT PROJECT SUMMARY
 TENTATIVE MISCELLANEOUS PROJECTS**

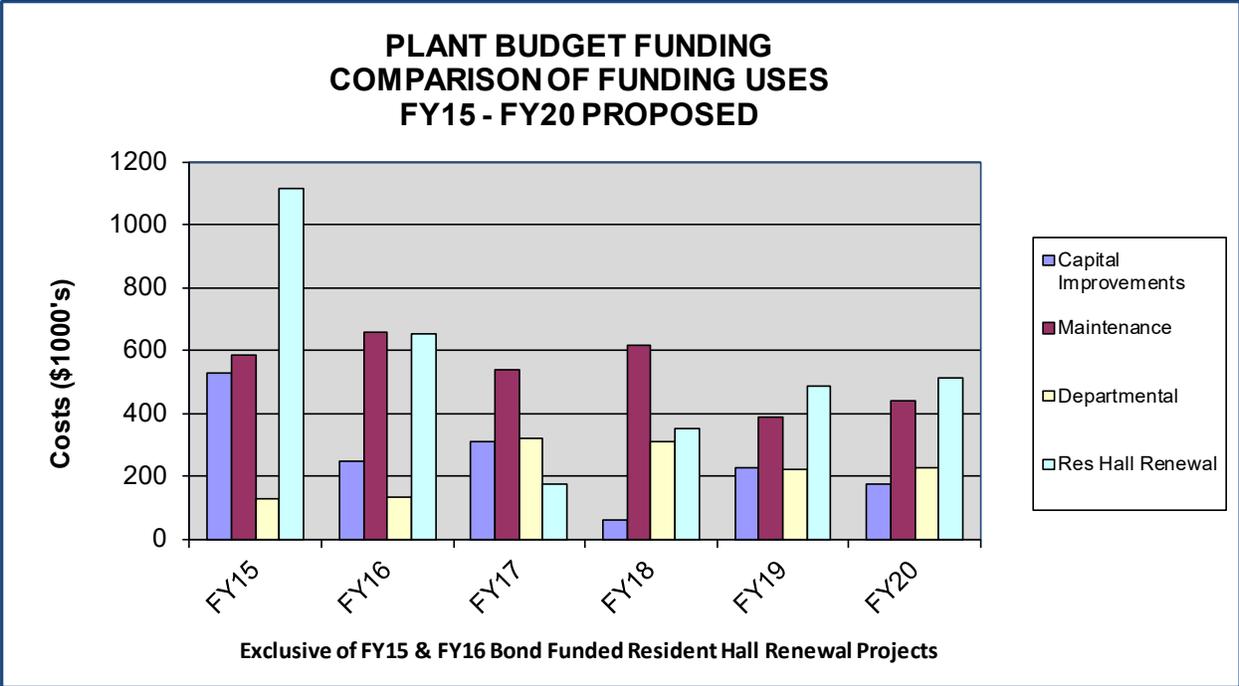
The following provides a list of miscellaneous projects that represents preliminary planning for funding within the FY20 plant budget. Implementation of specific projects is subject to change in the event of unforeseen circumstances.

PROJECT	ESTIMATED COST
CAPITAL PROJECTS	
New Academic Building - Caf� Final Design	43,000
New Academic Building - Caf� Construction Funds	75,000
Montgomery Hall - Gender Neutral ADA Bathroom Upgrade	20,000
Center for Teaching and Learning - Furniture & Equipment	40,000
TOTAL COST OF CAPITAL PROJECTS	178,000
MAINTENANCE & REPAIR	
Miscellaneous maintenance and repair projects - unknown	62,030
Plant Contingency	50,000
Campus Wide - Roof repairs	60,000
Campus Wide - Building Automation	20,000
Campus Wide - Security Camera Initiative	60,000
Physical Plant - Gas pump	7,300
Physical Plant - Fuel tank replacement	12,000
Queen Anne - Hot Water Heaters	50,000
Artist House Roof Replacement-100%	10,000
Campus Center - Roof Flashing Replacement	58,000
Caroline Hall - Boiler Upgrade	50,000
TOTAL COST OF MAINTENANCE AND REPAIR PROJECTS	439,330

PROJECT	ESTIMATED COST
PROGRAM SUPPORT	
Schaefer Hall - SH151 & 253 Lab to Classroom Renovation Project	12,000
Schaefer Hall - SH215	15,000
Goodpaster Hall - Furniture for 2nd Floor Lobby	7,000
Art Annex - Artist Labs	35,000
O'Brien ARC - Screen and Refinish recreation courts	35,000
Campus Center - CC143 Main Door Replacement	4,000
Campus Center - Bookstore Seating Upgrade	3,000
Campus Center - Commuter Lounge Tables	2,000
Misc. Enhancements - unknown	20,000
Baltimore Hall - OIT Renovation Phase 2 of 3	40,000
Admissions - Signage/Landscape/Parking	20,000
Admissions - Railing Replacement	10,000
Cobb House - Basement Dehumidifier	15,000
Miscellaneous site improvements projects	12,000
TOTAL COST OF PROGRAM SUPPORT PROJECTS	230,000
RESIDENCE HALL RENEWAL PROGRAM	
Miscellaneous Residence Hall Repairs	25,000
Waring Commons HVAC Replacement PH 2 of 3	26,500
Crescent Patio Door Replacement - PH 1 of 2	143,000
WC Stairwell Interior Renovation	30,000
Traditional Halls Core Replacement- PH 2 of 2	8,000
Door Access Project (Lewis Quad, Old Townhouses, Crescents) Phase 1 of 4	132,000
Old Townhouses - New Furniture (6 units)	150,000
TOTAL COST OF RESIDENCE HALL PROJECTS	514,500
TOTAL COST OF PRIORITY "A" PROJECTS	1,361,830

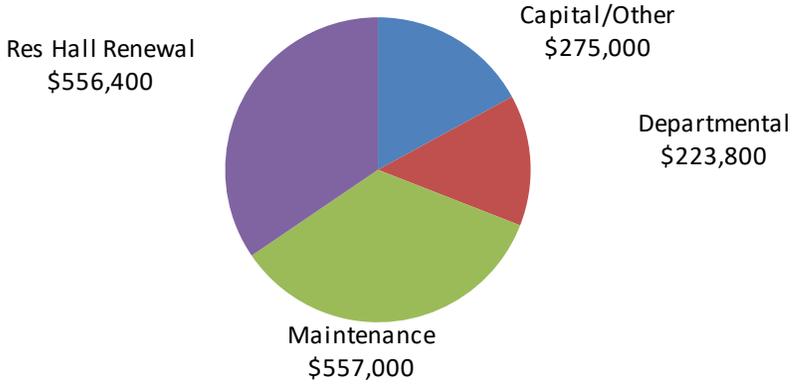
PLANT PROJECT EXPENDITURE SUMMARY
Cumulative Project Budgets and Expenditures through March 31, 2019

Project	Budget	Expenditures	Commitments	Balance
Active Capital Projects >\$200,000				
Misc Maint & Repair	283,083	166,316	84,800	31,967
Misc Small Enhancements	424,509	202,097	53,399	169,013
Misc Residence Hall Projects	354,490	188,814	118,645	47,031
Residence Hall Furniture	311,431	46,735	255,286	9,410
JLR Stadium (Private \$)	3,688,166	685,140	2,932,360	70,666
Utility Line Burial	250,000	0	0	250,000
Total Projects <\$200,000	1,194,040	558,388	112,908	522,744
Total Projects	6,505,719	1,847,490	3,557,398	1,100,831



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 FY15 - FY19



**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
ACTION ITEM II.A.3.
FY21-FY25 STATE CAPITAL BUDGET PROPOSAL**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the attached FY21-FY25 State Capital Funding request, contingent on favorable endorsement by the Committee on Buildings and Grounds when they meet on May 7, 2019. The proposed FY21-FY25 State-funded capital budget includes a continuation of funding for the New Academic Building and Auditorium and various Campus Infrastructure Improvements. The College will also request funding for the design and construction of the Montgomery Hall renovations and construction funds for a limited renovation of Goodpaster Hall.

RATIONALE

The attached chart summarizes our FY21-FY25 State Capital Budget request and provides a comparison to the Governor's Five-Year Capital Improvement Plan.

New Academic Building and Auditorium

The project constructs a main building, which will house the Department of Music, a recital hall, a 700-seat auditorium, and a large glass enclosed lobby area. The west building will house the Educational Studies program, student study spaces, and a café to support the recruitment and retention of students. 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 relocation of these departments will enable the College to reallocate vacated space to the arts (Montgomery Hall) and the sciences (Goodpaster Hall).

This project requires the relocation of the existing varsity field to clear the site for the new buildings. The Jamie L. Roberts Stadium includes a new grass playing field and a new artificial turf field. Support facilities include seating for spectators, team rooms, concessions, press box, reception space, 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 Academic Building and Auditorium totals \$65.5M. The FY20 Capital Budget includes \$1.96M for completion of the design of the building and \$11.3M to begin construction. The State will not fund the construction costs for the café. The College proposes to fund this component of the project (\$0.3M) through its Plant Budget over the next two years.

Campus Infrastructure Improvements

This budget continues to fund infrastructure improvements annually in multiple phases. The FY21 request of \$4.6M will fund the replacement of major HVAC equipment in Schaefer Hall, the

installation of new HVAC equipment and electrical upgrades in Calvert Hall, and continued improvements to campus roads and walks.

Additional projects proposed for FY21-FY25 include the Calvert Hall HVAC replacement, Dorchester Circle storm water drainage improvement, Schaefer Hall major HVAC equipment replacement, replacement of the original slate roofs on Calvert and St. Mary's Halls, and masonry restorations for Calvert, Kent, and St. Mary's Halls. The total request for infrastructure projects in FY21-FY25 is \$17M.

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 campus building in need of significant capital funding for renovation.

The planned renovation of Montgomery Hall will be extensive to address significant renewal issues, as well as to provide tailored, pedagogical appropriate spaces to support academic programs. The building is 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 will enable 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 (\$3M) and construction in FY25-FY27 (\$21.7M). A phased, multi-year construction process is anticipated, as there is no available swing space on campus to relocate existing building programs to enable a single-phased building renovation.

Goodpaster Hall Renovation

Moving of the Educational Studies program into the New Academic Building and Auditorium project will 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 space vacated by Educational Studies and will provide needed teaching and research lab spaces.

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.

SMCM - Capital Spending Plan

		Design	Construction	in \$M						
		7/19	7/20	7/21	7/22	7/23	7/24	7/25	7/26	7/27
		FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY 27	FY28
New Academic Building and Auditorium	State	13.2	28.2	17.0	NABA MOVE-IN					
	College	0.30								
Infrastructure	State	3.8	4.6	3.7	1.4	3.4	3.9	approx. 3.5	approx. 3.5	approx. 3.5
	College									
Montgomery Hall	State				3.0		7.5	7.2	7.0	
	College									
STEM (Goodpaster/Schaefer)	State				1.7					
	College			0.14						
SMCM	State	17.0	32.8	20.7	6.1	3.4	11.4	10.7	10.5	3.5
	College	0.30		0.14						
GOVERNOR'S CIP	NABA	13.2	28.2	17.0						
	INFRASTRUCTURE	3.8	4.6	3.7	1.4	3.4				
	MONTY HALL									
	STEM				1.7					
	TOTAL	17.0	32.8	20.7	3.1	3.4				

STATE CAPITAL INFRASTRUCTURE PROJECT

Calvert Hall HVAC Replacement		
Schaefer Hall HVAC replacement		
Repair Campus Roads Phase II	FY21	\$ 4.6M
Montgomery and Calvert Hall UST Removal		
North Campus Nodal Loop Expansion		
Schaefer Hall Elevator Upgrades		
Library/IT Emergency Generator Replacement		
Admissions Slate Roof Replacement		
Repair Campus Roads Phase III		
Calvert Hall Windows Replacement	FY22	\$ 3.7M
Kent Hall HVAC Replacement	FY23	\$ 1.4M
Campus Outdoor Wireless Infrastructure – Phase 1		
Slate Roof Replacement – Historic Campus		
Dorchester Circle Storm Water Drainage	FY24	\$ 3.4M
Library/IT Data Center - Leibert Unit Replacement		
Campus Outdoor Wireless Infrastructure - Phase 2		
Masonry Restoration – Historic Campus		
Automated Door Security Upgrades	FY25	\$ 3.9M
TOTAL FUNDING		\$17.0M

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
ACTION ITEM II.B.
FY20 TUITION, FEES, ROOM AND BOARD RATES**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends that the Board of Trustees authorize student rates for FY20 (academic year 2019-2020) as per the attached Tuition and Fee Schedule. The recommended tuition rates for Maryland resident undergraduate students increase 2% from FY19. Tuition rates for non-resident undergraduate students, DC residents, and MAT students also increase 2%.

RATIONALE

The Board of Trustees is the authorizing body for setting student tuition and fee rates. The tuition and fees planning process began with a review of a variety of factors affecting the College's ability to fulfill its mission to provide an outstanding educational program that is affordable and accessible. These include current and future budget projections, enrollment trends, and market conditions. The objective of the proposed pricing rates is to provide revenues that balance fiscal constraints and support on-going operations and strategic initiatives.

Fees: Mandatory fees, which include charges for technology, athletics and recreation, health center services, lectures, fine arts, and facilities, are proposed to increase 3% (\$81). Residence hall fees increase an average of 3.0% over FY18 rates. Board charges also increase an average of 3%.

The total charges for in-state tuition, fees, room, and board for first-year students is \$28,719, a 2.54% increase over the prior year. Charges for first-year out-of-state students will be \$44,975, an increase of 2.34% over the prior year. Charges for first-year DC resident students will be \$38,719, an increase of 1.87% over the prior year. Graduate MAT program costs will be \$21,236, a 2.10% increase.

Academic Year 2019-2020 Student Rates
Annual, Unless Noted

Description	Academic Year 18-19 FY19	2% Academic Year 19-20 FY20	Dollar Change FY18 vs. FY19	Percent Change FY18 vs. FY19
Tuition: Full-time, In-State	11,878	12,116	238.00	2.00%
DC Resident	21,878	22,116	238.00	1.09%
Tuition: Full-time, Out-of-State	27,640	28,192	552.00	2.00%
Tuition Overload, Undergrad > 19 Credits	200	200	-	
Tuition: Graduate MAT (includes summer credits)	16,206	16,530	324.00	2.00%
Room: Residence Hall, Double Occupancy	7,622	7,850	228.00	2.99%
Room: Residence Hall, Triple Occupancy	7,622	7,850	228.00	2.99%
Room: Suite	8,162	8,406	244.00	2.99%
Room: Suite - Single	8,622	8,880	258.00	2.99%
Room: Residence Hall, Single Occupancy	8,622	8,880	258.00	2.99%
Room: Apartment Style Single	9,146	9,420	274.00	3.00%
Room: Apartment Style Double	9,008	9,278	270.00	3.00%
Room: Townhouse	9,338	9,618	280.00	3.00%
Platinum: Anytime Dining, 64 guest passes, \$800 dining dollars	6,035	6,215	180.00	2.98%
Gold: Anytime Dining, 40 guest passes, \$600 dining dollars	5,805	5,980	175.00	3.01%
Silver: Anytime Dining, 24 guest passes, \$400 dining dollars	5,580	5,745	165.00	2.96%
250 Meal Credits, \$600 Dining Dollars	3,840	3,955	115.00	2.99%
150 Meal Credits, \$600 Dining Dollars	2,840	2,925	85.00	2.99%
Flex Plan: 20 Meal Credits, \$800 Dining Dollars	1,205	1,240	35.00	2.90%
Mandatory Fee: Full-time Resident and Non-Resident	2,928	3,008	80.00	2.73%
Program Fee: Graduate MAT	1,664	1,698		
Annual Full-time Student Charges				
In-State, Commuter (Tuition/Fees)	14,806	15,124	318.00	2.15%
In-State, Residence Hall (Tuition/Fees/Room/Board) 1	28,008	28,719	711.00	2.54%
In-State, First-Year Residence Hall (Tuition/Fees/Room/Board) 2	28,008	28,719	711.00	2.54%
DC Resident, First-Year, Residence Hall (Tuition/Fees/Room/Board)	38,008	38,719	711.00	1.87%
Out-of-State, Commuter (Tuition/Fees)	30,568	31,200	632.00	2.07%
Out-of-State, Residence Hall (Tuition/Fees/Room/Board) 1	43,770	44,795	1,025.00	2.34%
Out-of-State, First-Year Residence Hall (Tuition/Fees/Room/Board) 2	43,770	44,795	1,025.00	2.34%
Tuition & Fees - In State Residence Hall	14,806	15,124	318.00	2.15%
Tuition & Fees - Out of State Residence Hall	30,568	31,200	632.00	2.07%
MAT Graduate Student Program Cost - Tuition + Mandatory Fee + Program Fee	20,798	21,236	438.00	2.11%

Note 1: Using Silver board plans

Note 2: Using Silver board plan, students must choose a Platinum / Gold / Silver plan

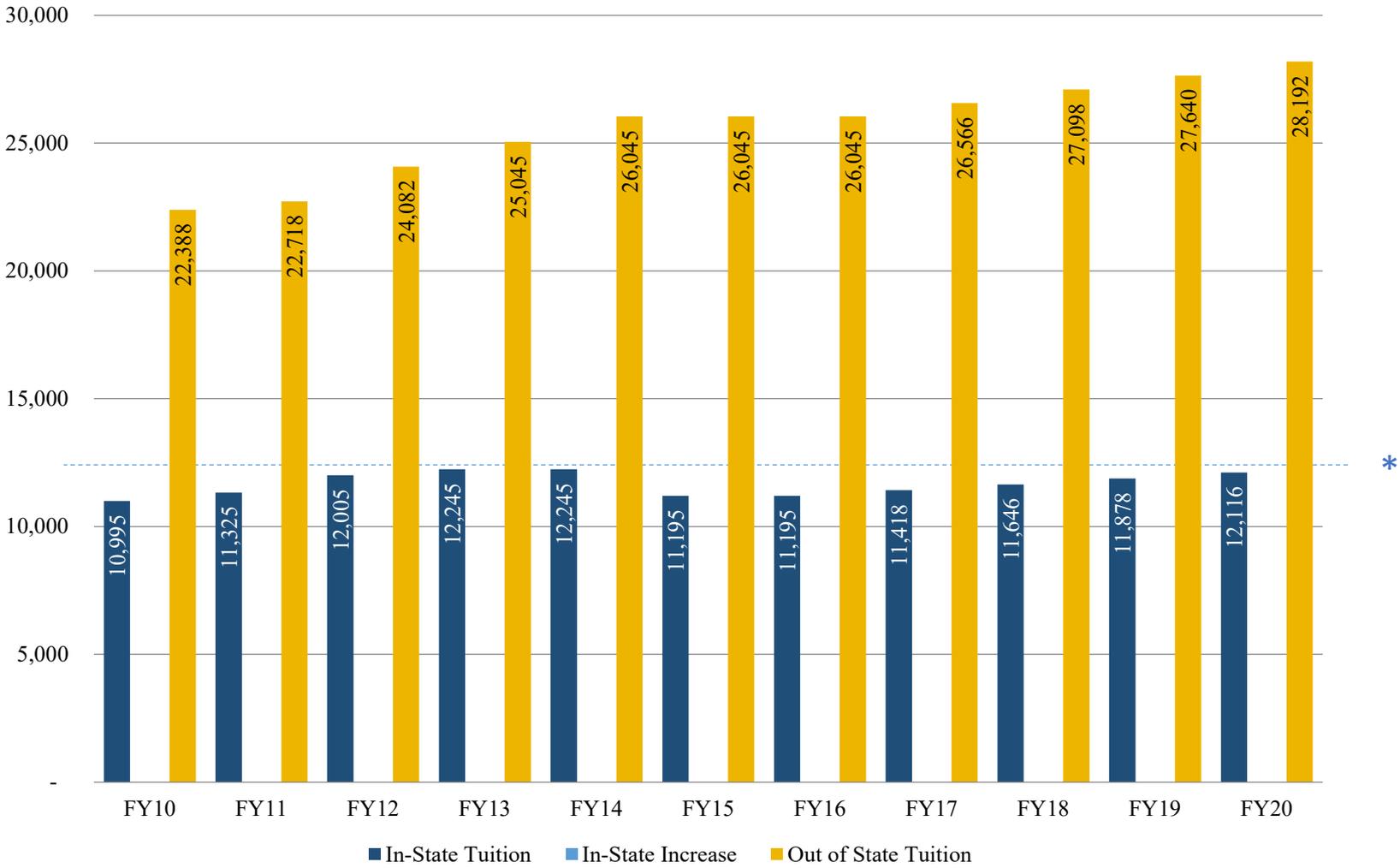
St. Mary's College of Maryland
Manadatory Fee Components

	FY19	FY20	Dollar Change	Percentage Change
Mandatory Fee	\$1,514	\$1,552	\$38	2.51%
SGA Portion	\$270	\$270	\$0	0.00%
College Portion	\$1,244	\$1,282	\$38	3.05%
Facility Fee	\$1,414	\$1,456	\$42	2.97%
Plant Fund	\$928	\$956	\$28	3.02%
CFU	\$486	\$500	\$14	2.88%
Total Fee:				
SGA	\$270	\$270	\$0	0.00%
CFU / College	\$1,730	\$1,782	\$52	3.01%
Plant Fund	\$928	\$956	\$28	3.02%
Total Charge to all Students	\$2,928	\$3,008	\$80	2.73%

Rate Recommendations 2019 - 2020

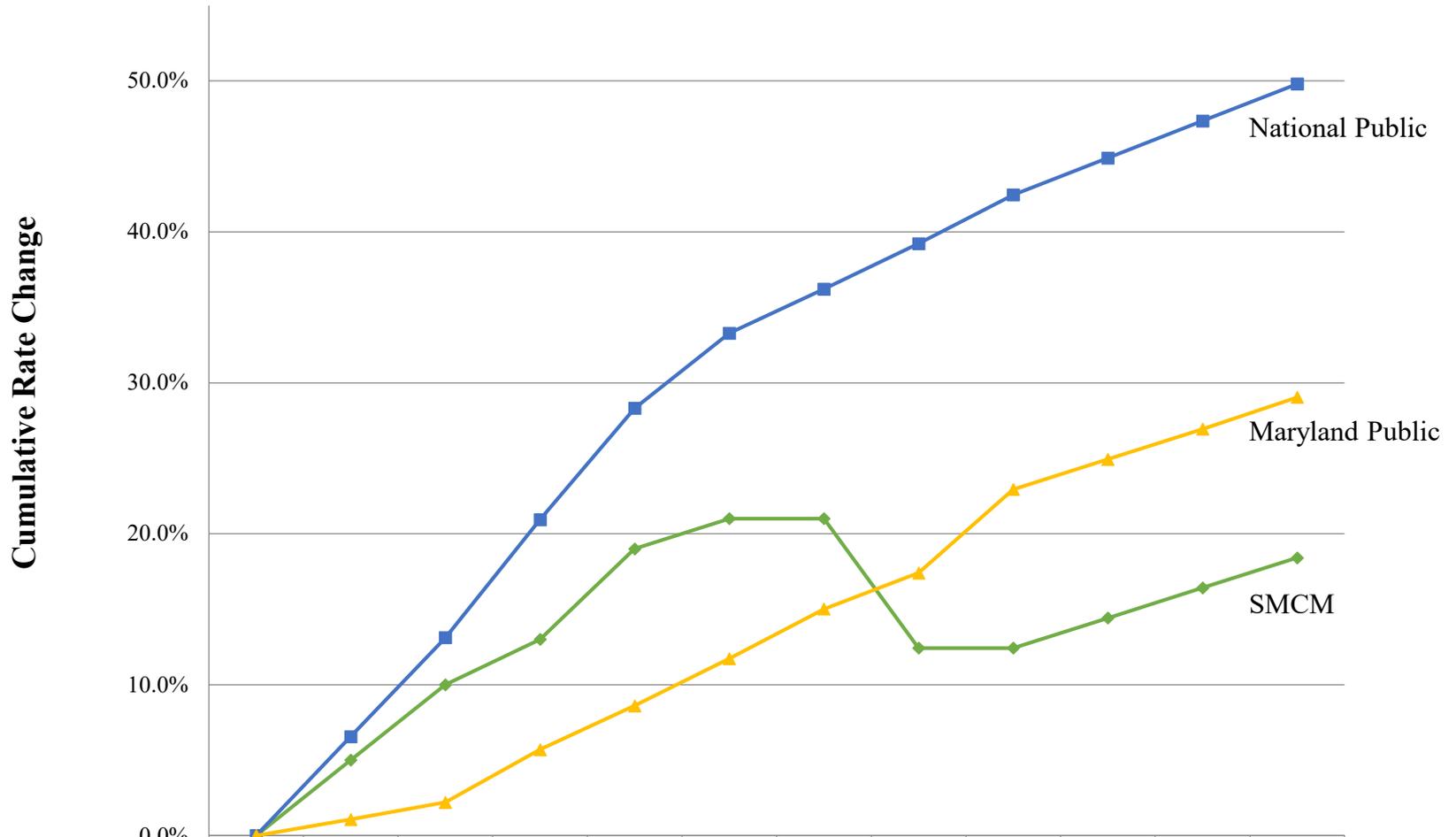
	Increase %	Increase \$	2018 – 2019 Rate
Tuition: In-State	2.0%	238	12,116
Tuition: DC Resident	1.09%	238	22,116
Tuition: Out-of-State	2.0%	552	28,192
Fees	3.0%	80	3,008
Room: Traditional	3.0%	228	7,850
Board: Silver Plan	3.0%	165	5,745
Total: In-State	2.54%	711	28,719
Total: DC Resident	2.39%	915	39,161
Total: Out-of-State	2.34%	1,025	44,795

Tuition Rates: FY10 - FY20



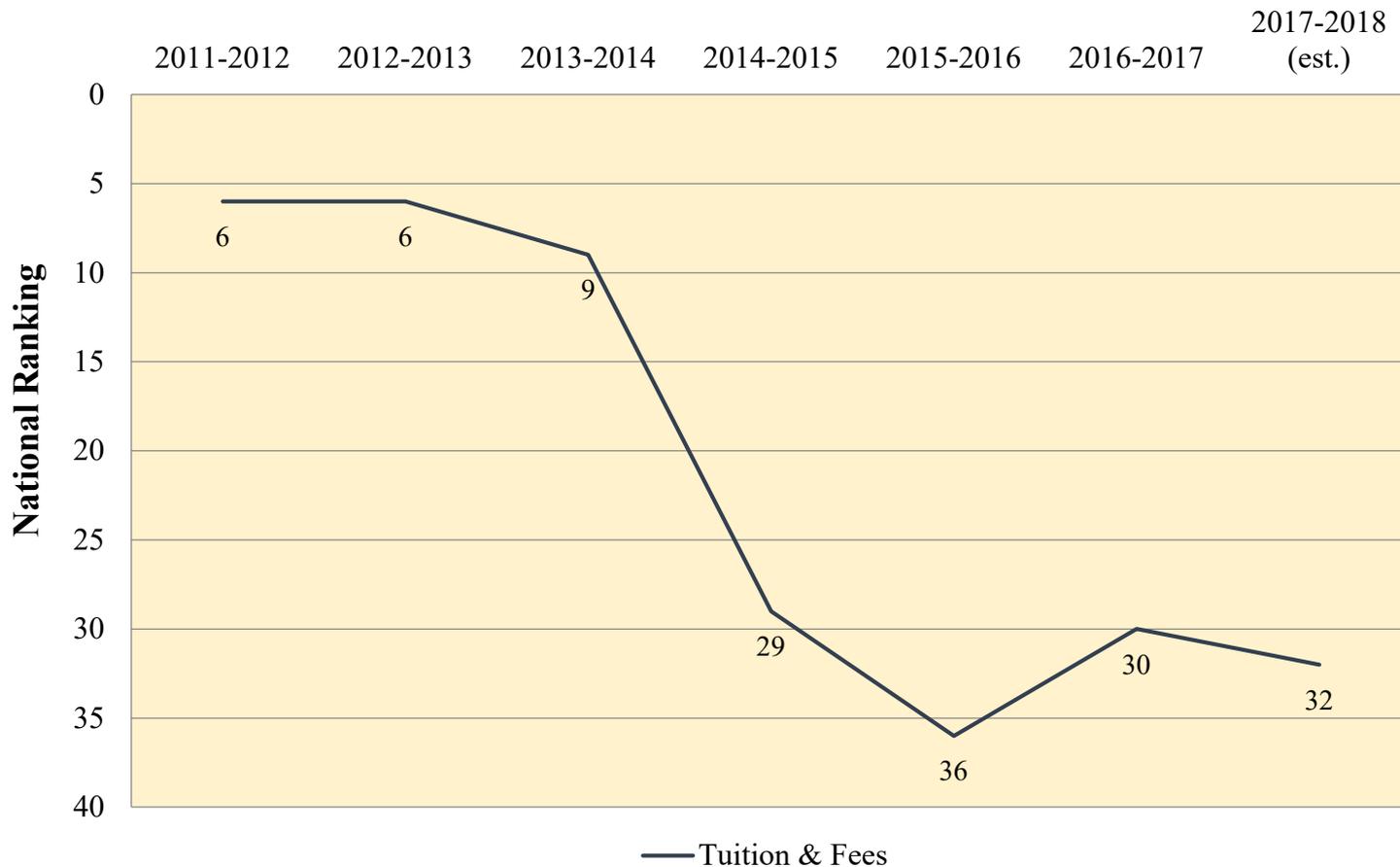
* Note: Proposed FY19 in-state rate remains below FY13 rate.

SMCM Tuition vs. Four-Year Public National Average



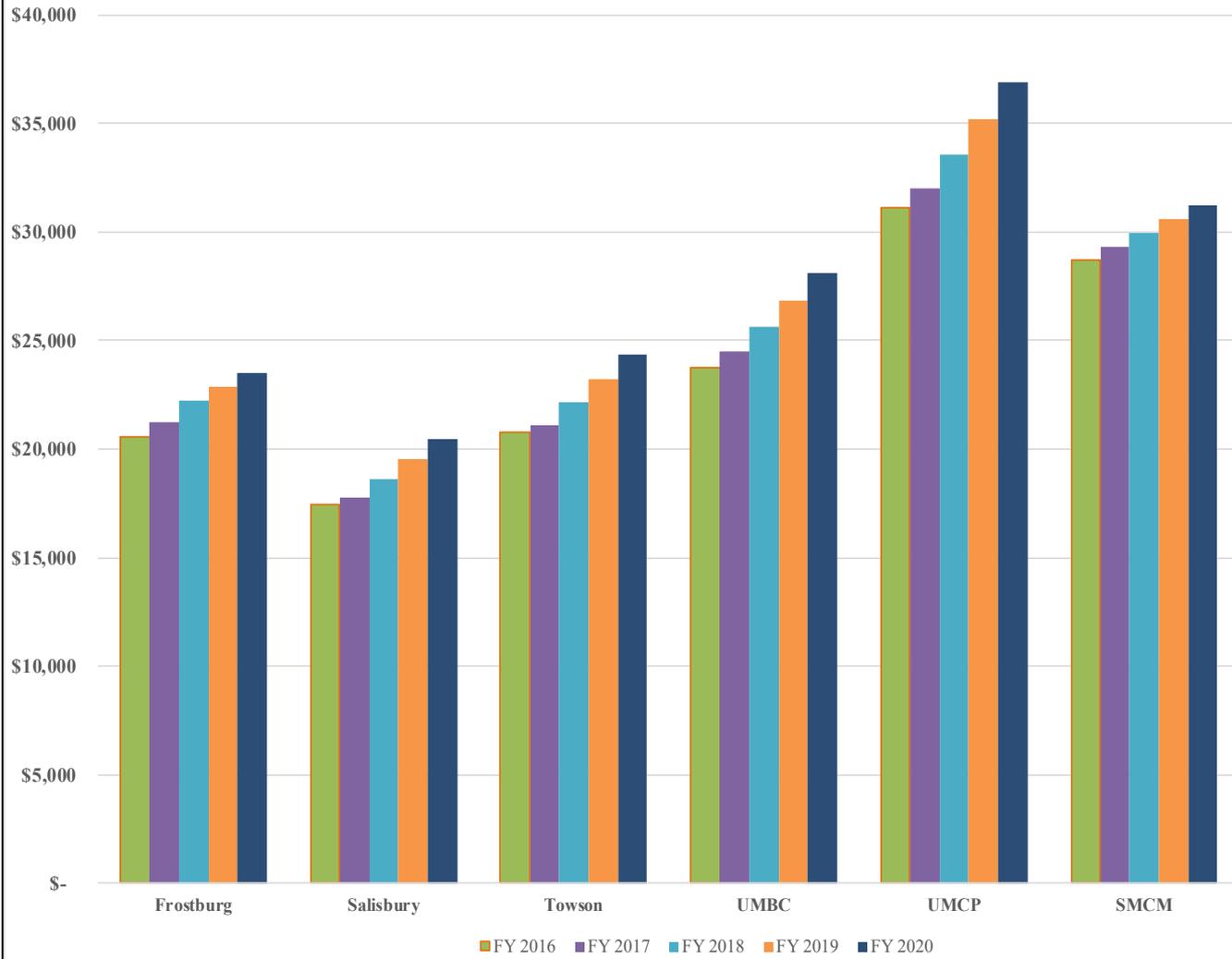
◆ SMCM	0.0%	5.0%	10.0%	13.0%	19.0%	21.0%	21.0%	12.4%	12.4%	14.4%	16.4%	18.4%
■ 4 Yr. Pub. National	0.0%	6.6%	13.1%	20.9%	28.3%	33.3%	36.2%	39.2%	42.5%	44.9%	47.4%	49.8%
▲ MD Public	0.0%	1.1%	2.2%	5.7%	8.6%	11.7%	15.0%	17.4%	22.9%	24.9%	26.9%	29.0%

National Ranking Highest Tuition & Fees Public, Four-Year



Source: Dept. of Education

Public Four-Year Undergraduate Tuition and Fees FY16-FY20 Out-of-State



Five-Year Change	14.2%	17.2%	17.1%	18.4%	18.5%	8.6%
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**BOARD OF TRUSTEES
ST. MARY’S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
ACTION ITEM II.C.
HANDBOOK POLICY REVISIONS**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends that the Board of Trustees approve the following revision to the St. Mary’s College of Maryland Employee Handbook (“Handbook”): To update the Family Medical Leave Policy to include a provision to permit extended family medical leave beyond the 12 weeks mandated under the Family Medical Leave Act (FMLA).

RATIONALE

The revised Family Medical Leave Policy will reflect the current and past practices of permitting extended family medical leave to employees in accordance with the Memorandum of Understanding between the College and AFSCME.

FAMILY/MEDICAL LEAVE

(Pending Approval by the Board of Trustees May 10, 2019)

In accordance with the Family and Medical Leave Act of 1993 (FMLA) eligible employees are entitled to a total of 12 workweeks of unpaid leave during any rolling 12-month period for one or more of the following:

- birth of a child of the employee and in order to care for such child;
- placement of a child with the employee for adoption or foster care;
- to care for the spouse, child, or parent of the employee if such spouse, child, or parent has a serious condition;
- a serious health condition that makes the employee unable to perform the essential functions of their position.

Upon approval, the employee using Family/Medical Leave will exhaust all forms of paid leave to which he/she is entitled under the circumstances, including but not limited to, personal, sick, annual, and parental leave, before being given any unpaid leave under the Family and Medical Leave Act of 1993. All leave used will count towards the total 12 weeks of Family/Medical Leave available. Additional leave beyond the 12 weeks may be granted depending upon the circumstances and the needs of the employee with appropriate documentation.

If the employee using Family/Medical Leave is enrolled in one of the College's group health plans, this health coverage will continue (at the same level and under the same conditions) for the duration of the period of leave, not to exceed 12 workweeks. Additionally, all benefits normally provided to the employee will continue to be provided during any period of paid leave. However, if all paid leave is exhausted and the employee is on unpaid leave, certain benefits paid through payroll deduction will cease and arrangements will need to be made for the payment of health benefit premiums. Specific guidance relating to the use of Family/Medical Leave will be provided by the Office of Human Resources.

Intermittent leave or a reduced work schedule may not be taken unless prior approval is obtained from an employee's supervisor and the Office of Human Resources. If intermittent leave or a reduced work schedule is warranted, a schedule must be submitted to the Office of Human Resources prior to approval.

Upon mutual agreement between the department head and the employee a longer period of unpaid leave may be granted. Documentation from the employee's medical provider must be submitted to the Office of Human Resources for an extended leave beyond the twelve (12) weeks mandated under the FMLA

The College may extend the period of FMLA leave beyond twelve (12) weeks, as provided below:

<u>Length of Service With the College at Start of FMLA</u>	<u>Additional FMLA Leave</u>
At least three years	4 Weeks
More than three years, but less than nine years	8 Weeks
Nine or more years, but less than twenty years	12 Weeks
Twenty years or more	16 Weeks

For any extended leave period all FMLA requirements continue to apply.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
INFORMATION ITEM III.A.
FY19 FINANCIAL RESULTS TO DATE**

REVENUES

Year-to-Year Comparison: Total revenue is 2.7% higher year-to-year. Tuition and fee revenues are 3.3% higher reflecting higher counts and rate changes. Auxiliary Enterprise revenues are 0.5% higher overall reflecting somewhat lower student counts and rate changes. State Appropriations are 100%. Interest income is 41.8% higher than the prior year due to timely transaction processing in the Treasurer's Office this year as compared to last year.

FY19 Actual to Budget Comparison: Overall revenue collections currently equal 98.3% of the budgeted level, which is slightly ahead of the same point in time last year.

EXPENDITURES

Year-to-Year Comparison: Overall, expenditures in FY19 are running 2.7% lower than the equivalent period last year. All expenditure categories fall within expected changes year-to-year with the exception of scholarships, which are 10.3% higher than budget and 11.1% higher than prior year actuals.

BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
INFORMATION ITEM III.A.
FY19 FINANCIAL RESULTS TO DATE

	FY19 Budget	FY19 ACTUAL	FY18 ACTUAL	FY19 Actual to Budget	FY19 to FY18 % Change	FY19 to FY18 \$ Change
REVENUES:						
Tuition & Fees	23,325,968	23,554,441	22,793,593	101.0%	3.3%	760,848
State Appropriations	25,801,392	25,801,382	24,826,954	100.0%	3.9%	974,428
Federal Grants & Contracts	0	990	420	0.0%		0
State Grants & Contracts		0	0			0
Private Gifts, Grants		0	906			(906)
Endowment Income		0	0			0
Sales/Serv Educ Dept	800,039	402,473	601,396	50.3%	-33.1%	(198,923)
Sales/Serv Auxiliary Enter	18,285,841	17,479,855	17,394,117	95.6%	0.5%	85,738
Interest Income Other	496,000	464,564	327,587	93.7%	41.8%	136,977
Additions to Fund Balance - End. Income	95,000	0	0			0
Other Sources	254,400	198,794	203,223	78.1%	-2.2%	(4,429)
TOTAL CURRENT REVENUES	69,058,640	67,902,499	66,148,196	98.3%	2.7%	1,754,303
EXPENDITURES						
Instruction	20,852,749	12,767,843	13,582,345	61.2%	-6.0%	(814,502)
Research	0	96	0			96
Public Service	98,404	49,468	58,550	50.3%	-15.5%	(9,082)
Academic Support	2,237,403	1,614,366	1,794,357	72.2%	-10.0%	(179,991)
Student Services	6,861,814	5,539,283	5,259,609	80.7%	5.3%	279,674
Institutional Support	17,672,261	10,255,455	10,346,746	58.0%	-0.9%	(91,291)
Operation & Maintenance	5,081,470	3,450,794	3,764,390	67.9%	-8.3%	(313,596)
Scholarships & Fellowships	6,743,672	7,439,955	6,662,335	110.3%	11.7%	777,620
Auxiliary Enterprises	10,304,445	7,885,790	8,869,661	76.5%	-11.1%	(983,871)
TOTAL CURRENT EXPENDITURES	69,852,218	49,003,050	50,337,993	70.2%	-2.7%	(1,334,943)
Transfers In (Out)						
P & I Debt Requirements	4,285,643	4,292,440	3,076,318	100.2%	39.5%	1,216,122
Non Mandatory Transfers						0
Transfer to Plant	375,000	375,000	0			375,000
Renewal/Replacement/Other						0
Support to Other Departments	0	0	0			0
	4,660,643	4,667,440	3,076,318	100.1%	51.7%	1,591,122
	74,512,861	53,670,490	53,414,311	72.0%		
Total Increase (Decrease) Fund Balance	(5,454,221)	14,232,009	12,733,885			
Carry Forward from Prior Year	5,454,221					
Change over 2 years	0					

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
INFORMATION ITEM III.B.
REPORTABLE PROCUREMENT ITEMS**

- Environmental Concerns (Shoreline Project) \$180,025
- Goodman Distribution (IDIQ for HVAC Services) Not To Exceed \$100,000
- Hancock & Albanese, Inc. (Wooden Lockers for Jamie L. Roberts Stadium) \$113,160
- Siemen Industries, Inc. (Library Boiler Replacement Project) \$178,720
- Smith Group (Redesign Maryland Heritage Interpretive Center) \$495,200

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF APRIL 17, 2019
INFORMATION ITEM III.C.
JOINT INVESTMENT ACTIVITIES**

The Joint Investment and Advisory Committee met on February 20, 2019 to review financial information on the Foundation and College endowments. See attached for information related to the Foundation and College investments.

St. Mary's College of Maryland Foundation

As of January 31, 2019, the total market value of the Foundation's endowment is \$ 32.5M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$32M), the Student Investment Group (SIG) account (\$296K), and Old Line Bank shares (\$272K).

Of the endowment managed by JP Morgan, the fiscal year-to-date reduction in market value of \$333K includes \$505K in contributions, \$404K in income, \$525K decrease in investment value and \$717K of withdrawals. The overall rate of return current fiscal year-to-date is -0.4 %. Attached is the consolidated investment statement.

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

The College holds investments totaling \$3.91M consisting of Endowment and Quasi-Endowment. \$2.89M are funds functioning as endowment (Quasi) and \$1.02M represents the Blackistone Endowment.

Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$3.53M as of January 31, 2019. Funds are currently invested in a mix of fixed income instruments and equities. The annualized rate of return for the seven month period between 6/30/2018 and 1/31/2019 is 1.03%.

The remaining \$0.4M of College endowment is currently held in a cash investment pool by the State Treasurer.

St Mary's College of Maryland Foundation, Inc.
Consolidated Investment Statement
for the period July 1, 2018 to January 31, 2019

	<u>Beginning Market Value</u> <u>7/1/2018</u>	<u>Ending Market Value</u> <u>1/31/2019</u>
<u>JP Morgan Portfolio</u>		
Endowed Accounts		
A****8008	27,472,234	26,764,241
A****9004	7,175	0
S****8005	858,421	839,421
S****8003	1,172,169	1,218,331
W****3000	412	415
W****8003	2,705,974	3,141,537
N****7009	-	-
Donations awaiting transfer to pool	-	0
Total Endowed Accounts held within JP Morgan***	32,216,385.44	31,963,946
Gift Annuity		
V****8001	945,107	938,575
Current Funds	2,697,168	2,782,836
Total Investment Accounts Market Value	35,858,661	35,685,358
Endowed Funds Allocated Spending Account	954	930
Gift Annuity Cash Account		
JP Morgan Annuity Checking	54,577	23,222
JP Morgan - SGA Investment ***	297,024	295,787
Total JP Morgan Portfolio	36,211,216	36,005,297
<u>Other Assets</u>		
Perpetual Trust, PNC (Landers Scholarship)	1,503,915	1,484,244
Old Line Bank Shares, Common Stock ***	351,718	272,126
<u>Cash</u>		
Old Line Bank Checking Account	3,307,163	1,158,010
Old Line Bank Endowment Spending Account	381,762	569,548
Total	41,755,775	39,489,225

*** 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

St. Mary's College of Maryland

Endowment Fund

As of 01/31/2019

	<u>6/30/2018 Balance</u>		<u>31-Jan-19</u>	Annualized return
Legg Mason / 1919 Investments - Cash & Equivalents	N/A		282,826.66	Cash
Legg Mason / 1919 Investments - Fixed Income	3,095,304.16	Fixed & Cash	2,336,617.87	
Legg Mason / 1919 Investments - Equity Portfolio	<u>417,116.67</u>		<u>914,147.47</u>	1,196,974.13
	3,512,420.83		3,533,592.00	1.03%
Cash with Treasurer	<u>385,000.42</u>		<u>385,000.42</u>	Cash
Investable Total	<u>3,897,421.25</u>		<u>3,918,592.42</u>	
Other Investments	<u>977.50</u>		<u>977.50</u>	
Total Investments 6/30/2018	<u><u>3,898,398.75</u></u>	1/31/2019	<u><u>3,919,569.92</u></u>	

	Asset Allocation *			
	Current	Lower	Target	Upper
Domestic Equities	21%	20%	30%	50%
International Equities	5%	0%	5%	10%
Fixed Income	66%	50%	60%	70%
Cash	8%	30%	5%	15%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>145%</u>

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

<u>Components of Endowment Fund:</u>	6/30/2018	1/31/2019
Restricted Non-expendable	1,000,117.00	1,000,117.00
Restricted Expendable	19,894.00	19,894.00
Board Designated	<u>2,878,387.75</u>	<u>2,899,558.92</u>
Total	<u><u>3,898,398.75</u></u>	<u><u>3,919,569.92</u></u>



**ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
AND THE JOINT INVESTMENT ADVISORY COMMITTEE
INFORMATION ITEM III.D.**

Date of Meeting: February 20, 2019

Reporter: Danielle Troyan '92 (substituting for Mike O'Brien '68, chair of the Joint Investment Advisory Committee), and Jack Saum '89, president of the St. Mary's College of Maryland Foundation, Inc.

Executive Summary

On February 20, 2019, both the Joint Investment Advisory Committee (JIAC) and the Foundation met via teleconference. The JIAC approved the minutes of a special meeting held on December 12, 2018 to recommend J.P. Morgan as the investment portfolio manager for both the Foundation and the College. The Foundation also held a special meeting on December 12, 2018 to accept the recommendation and to proceed with working with J.P. Morgan to review the portfolio's investment strategy. Dr. Tuajuanda Jordan reported that J.P. Morgan would not be eligible for selection as the College's investment manager due to state agency requirements that the firm could not fulfill. VP of Business and CFO Paul Pusecker will work with his team to interview other candidates who can meet the State's specifications.

At the JIAC's February meeting, Michael Garvey of J.P. Morgan reviewed the Foundation's endowment portfolio as of January 31, 2019. The report revealed a market value (net of fees) of \$32M, as compared to \$32.24M as of June 30, 2018. The total portfolio return on investment revealed an FY19 year-to-date loss of -0.4% (against the composite benchmark of -0.1%), a calendar year gain of 5.6% (against the composite benchmark of 5.5%) and an increase of 5.5% since inception on December 31, 2012 (against the composite benchmark of 4.5%). Mr. Garvey also presented an overview of macro trends and proposed several strategies to consider for lowering the effective cost of managing the portfolio and to better position it toward the expected end-of-cycle economy.

Vice President Pusecker distributed the SMCM Endowment Fund investment performance report as of January 31, 2019, which revealed the College's quasi-endowment and endowment to be valued at \$3.9M with an annualized return of 1.03%.

Jack Saum '89, president of the Foundation, along with Executive Director Carolyn Curry, reported a set of metrics that the Foundation tracks. Among them: the total giving FY19 as of January 31, 2019 is \$1.69M (cash in hand) toward a goal of \$1.95M. *Giving Tuesday* in November 2018 raised the alumni participation rate from 1% to 9% in one day, toward the overall goal of 14% by June 30, 2019. On April 2, 2019, the development team will launch a mini-campaign for seats, lockers and naming opportunities for the Jamie L. Roberts Stadium, which will be dedicated

on September 7, 2019. All proceeds will benefit athletics through the Seahawk Fund. The Foundation is also reviewing establishing an emeritus status for Foundation Directors, much like the one the Trustees have.

Mr. Saum '89 also reviewed ways in which the Directors have directly impacted fundraising, including nine contributors to *Giving Tuesday* raising \$29K. To date, the directors have raised \$115K, mainly toward unrestricted giving, which is a College priority.

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

MINUTES

Date of Meeting: December 13, 2018

Status of Minutes: Approved March 6, 2019

Finance, Investment, and Audit Committee Members Present: Committee Chair John Wobensmith '93, Donny Bryan '73, Board Chair Sven Holmes, President Tuajuanda Jordan

Committee Members Absent: Anirban Basu, Lex Birney, Faculty Delegate Liza Gijanto

Staff Member: Paul Pusecker

Others Present: Allison Boyle, Betsy Barreto, Monique Booker, Leonard Brown, Tommy Cable, Carolyn Curry, Cynthia Gross, David Hautanen, Gabriel Mbomeh, Doria Stitts, Chris True, Mike Wick, Anna Yates

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the meeting to order at 1:02 p.m.

Monique Booker, engagement partner for the firm SB & Company, LLC, provided a detailed presentation to the Committee regarding the audit process, the audit results, and the College's financial statements.

Ms. Booker reported that the audit produced no findings, no instances of fraud, and no material weakness in internal controls. The audit firm will issue an unmodified opinion letter indicating that the financial statements fairly represent, in all material respects, the financial position of the College. Ms. Booker also stated that she received full cooperation from the management and that no significant changes to journal entries were noted. The audit included an assessment of the control environment and an evaluation of key processes, all of which were found to be effective in both design and operation.

At 1:31 p.m., Committee Chair Wobensmith asked for a motion to close the session in accordance with Title 10, Subtitle 3 of the General Provisions Article (the Open Meetings Act) to discuss an administrative function. Specifically, Trustees discussed the audit report and financial statements with representatives from SB and Company.

The closed session adjourned at 1:40 p.m. and the open session of the Finance, Investment, and Audit Committee meeting resumed.

Action Items

I.A. Acceptance of the FY18 Auditors' Report and Audited Financial Statements

Statements reflecting the financial transactions and position of the College for the period July 1, 2017 through June 30, 2018 were prepared in accordance with generally accepted accounting principles, reflecting the GASB 34 & 35 reporting requirements. The independent firm of SB and Company, whose report and opinion are included in the document, has audited these statements. A motion to approve the action item was made by John Wobensmith '93. The motion was seconded and approved unanimously.

The meeting adjourned at 1:45 p.m.

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

MINUTES

Date of Meeting: January 22, 2019

Status of Minutes: Approved March 19, 2019

Finance, Investment, and Audit Committee Members Present: Committee Chair John Wobensmith '93, Donny Bryan '73, Faculty Delegate Liza Gijanto, Board Chair Sven Holmes, President Tuajuanda Jordan

Committee Members Absent: Anirban Basu, Lex Birney

Staff Member: Paul Pusecker

Others Present: Allison Boyle, Betsy Barreto, Leonard Brown, Peter Bruns, Carolyn Curry, Mary Grube, David Hautanen, Kelley Hernandez '08, Mike O'Brien '68, Jenell Sargent, Doria Stitts, Chris True, Mike Wick, Jackie Wright, Anna Yates

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the meeting to order at 2:20 p.m.

Status of FY20 Operating Budget The preliminary FY20 operating budget leadsheet containing revenues and expenses was reviewed. The current baseline of 1,426 total students is stable in comparison to FY19. The stable enrollment model anticipates 375 first-year students and 100 transfer students. Tuition rates are programmed to increase 2% and fees by 3%. It is uncertain whether additional State funding for COLA increases and health insurance rate changes will be provided by the State. FY20 revenue includes \$800K for DeSousa-Brent Scholars Program funding. Expenses include funds for FY20 COLA and merit/market increases, an allowance for strategic initiatives, and cost increases related to dining operations and utilities.

Financial Results to Date Total revenue is 3.24% higher in FY19 vs FY18. Tuition and fee revenues are 3.8% higher over FY18. Tuition & Fees include the spring billing and are at 101.9% of budget to actual for the year. State appropriations are at 75% of budget, as expected. The College has achieved 87.8% of budgeted revenue for the year, which is consistent with prior years.

Expenditures for FY19 are 1.76% higher than this time last year. Scholarship expense is currently \$781K higher than the previous year.

Revision of the FY10 Plant Fund Capital Budget The revisions, which were approved at the October 22, 2018 Finance, Investment, and Audit Committee meeting, added \$375K from the College operating budget to support new plant projects for FY19. This revision provides \$250k for the proposed utility line burial along Route 5, \$50K for the Commemorative Site artist, and \$75K for the Inclusive Teaching and Learning Center.

Enterprise Resource Planning The College has awarded the Enterprise Resource Planning (ERP) contract to the Campus Management Corporation to provide the CampusNexus Student and the CampusNexus Finance, HR & Payroll modules. The selection for this system was based on the campus community feedback, best and final technical assessment, and the best and final pricing. Implementation of the process will begin in early 2019. The ERP project will start with the student component, which includes the registrar, financial aid, student information systems. It will take approximately two- to three-years to fully implement the ERP system.

Joint Investment Activities St. Mary's College of Maryland Foundation's endowment is \$ 31.7M, which includes a portion of the JP Morgan portfolio (\$31M), the Student Investment Group (SIG) account (\$302K), and Old Line Bank shares (\$306K). The endowment managed by JP Morgan has a fiscal year-to-date reduction in market value of \$1.2M, which includes \$43K in contributions, \$185K in income, \$687K decrease in investment value, and \$701K of withdrawals. The overall rate of return over the current fiscal year-to-date is 1.6%.

Joint Investment Advisory Committee (JIAC) Chair Mike O'Brien '68 reported that the Committee had completed the selection process and came to the consensus that they would continue to use the investment manager they were currently utilizing, JP Morgan. JIAC made the recommendation to the College, who agreed to utilize JP Morgan as well. Vice President Paul Pusecker stated that the College is working through the procurement process and procedures in conjunction with the Office of the Attorney General in order to move the College investment portfolio to JP Morgan. The process is expected to be complete by April 2019. The College and the Foundation independently reviewed the proposed investment managers and both chose the same four finalists.

The St. Mary's College of Maryland Endowment and Quasi Endowment holds investments totaling \$3.9M, consisting of \$2.87M in funds functioning as endowment (Quasi) and \$1.02M representing the Blackistone Endowment. Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$3.5M as of September 30, 2018. Funds are currently invested in a mix of fixed income instruments and equities. The annualized rate of return over the past four months is 4.48%. The remaining \$0.4M of College endowment is currently held in a cash investment pool by the State Treasurer.

Historical Discount Rate/Enrollment Data illustrating the overall institutional discount trend, including first-year and transfer student discount trends, was provided. Committee Chair John Wobensmith '93 observed that the rising discount has been driven by the increased first-year student discount and mitigated by the new transfer student discount.

Board Chair Sven Holmes asked whether these data illustrated a trend or an area of legitimate focus. Vice President David Hautanen replied that the year is still in progress with students still registering for the spring semester. The level of competition in the market is driving our discount rate, which is evidenced by an increased number of appeals for aid. President Jordan stated that she would like to see the discount rate decrease and asked that updates be provided through the Committee during future meetings.

Committee Chair Wobensmith '93 requested that the College provide information to help the Board of Trustees understand the discount rate and the methods in use for recruiting students. Board Chair Holmes stated that it is important for the College to remain focused on the tuition

discount. It is especially important to provide opportunity and access within a competitive world, but there are other reasons for attracting economically challenged students, such as what they bring to the institution.

Action Items

II.A. Acceptance of Handbook Policy Revisions

Revisions to the St. Mary's College of Maryland Employee Handbook include an update to the Parental Leave Policy in order to comply with State Personnel and Pensions Article § 9-1101,9-1108, Code of Maryland Regulations, Title 17, Subtitle 04, Chapter 11, Section 29. Specifically, the updates to the policy include an increase in the amount of paid parental leave from 30 days to 60 days. Employees are provided and permitted to utilize parental leave for the birth or placement of an adopted child under 6-years-old. The restriction of being permitted to use parental leave once every two years was removed. A motion to approve the action item was made by John Wobensmith '93. The motion was seconded and approved unanimously.

The meeting adjourned at 2:59 p.m.