

**R14D00**  
**St. Mary's College of Maryland**

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 04</u></b>	<b><u>FY 05</u></b>	<b><u>FY 06</u></b>	<b><u>FY 05-06</u></b>	<b><u>% Change</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Funds	\$13,683	\$13,978	\$14,593	\$615	4.4%
Other Unrestricted Funds	25,475	33,694	34,997	1,303	3.9%
Total Unrestricted Funds	39,158	47,672	49,590	1,918	4.0%
Restricted Funds	2,905	3,600	3,600	0	
<b>Total Funds</b>	<b>\$42,063</b>	<b>\$51,272</b>	<b>\$53,190</b>	<b>\$1,918</b>	<b>3.7%</b>
Contingent & Back of Bill Reductions					
<b>Adjusted Total</b>	<b>\$42,063</b>	<b>\$51,272</b>	<b>\$53,190</b>	<b>\$1,918</b>	<b>3.7%</b>

- General funds increase 4.4% from the fiscal 2005 working to the fiscal 2006 allowance, including \$195,691 more than the formula mandated appropriation.
- Other unrestricted funds increase \$1.3 million, or 3.9%, and restricted funds do not change.

***Personnel Data***

	<b><u>FY 04</u></b>	<b><u>FY 05</u></b>	<b><u>FY 06</u></b>	<b><u>FY 05-06</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	375.00	398.00	399.00	1.00
Contractual FTEs	23.50	26.96	26.89	-0.07
<b>Total Personnel</b>	<b>398.50</b>	<b>424.96</b>	<b>425.89</b>	<b>0.93</b>

***Vacancy Data: Regular Positions***

Turnover, Excluding New Positions	0.00	0.00%
Positions Vacant as of 12/31/04	0.00	0.00%

- No budgeted turnover or vacancies appear for fiscal 2006 because St. Mary's College of Maryland (SMCM) does not use the same turnover formula as other State agencies.

Note: Numbers may not sum to total due to rounding.

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## ***Analysis in Brief***

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### **Major Trends**

***Second-year Retention Rates Increase:*** The Managing for Results measures show the second-year retention rate among African American students is expected to increase significantly; the retention rate for all students shows smaller increases.

***Six-year Graduation Rates Decline:*** The six-year graduation rates are expected to decrease 2 percentage points among all students and 22 percentage points among all minorities.

### **Issues**

***Mandatory Fees and Institutional Aid Increase Dramatically:*** The total cost for in-state students has been increasing over the years. Total institutional aid provided has increased between fiscal 2000 and 2003.

***Faculty Workload Increasing:*** Workloads of full-time tenured and tenure-track faculty have increased over the last two years.

***Executive Salaries above Median; Mid-level Administrative Salaries Closer to Median:*** The majority of executive and mid-level salaries reported are above the median salaries at comparable institutions. Personnel increases after declines in fiscal 2004.

***Facilities Maintenance:*** A portion of student fees are dedicated to SMCM maintenance costs.

### **Recommended Actions**

1. Concur with Governor's allowance.

## Operating Budget Analysis

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### Program Description

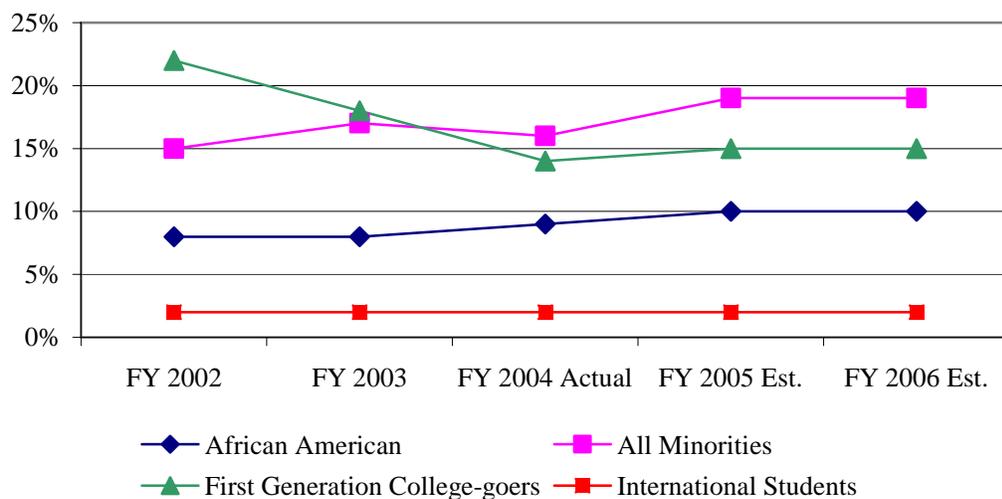
St. Mary’s College of Maryland (SMCM) is Maryland’s public, co-educational, liberal arts honors college. The college offers an array of baccalaureate degrees in the arts and sciences. Since gaining autonomy in 1991, SMCM has been ranked consistently in the *U.S. News and World Report* as one of the best educational bargains and one of the top regional liberal arts colleges. It was recently ranked among the top 100 liberal arts colleges in the nation.

As an honors college, SMCM strives to offer its students an educational experience that goes beyond traditional course-based study to foster independent learning and a link between curricular and extra-curricular activities and interests. SMCM includes civic responsibility as a cornerstone of its academic and extra-curricular programs.

### Performance Analysis: Managing for Results

As an honors institution, it is important that SMCM have a diverse population that contributes to Maryland’s educated workforce. **Exhibit 1** looks at the percent of each entering freshman class that is African American, first generation college-goer, and international as measures of diversity. The percentages of African Americans and all minorities have been rising slowly and are expected to increase two percentage points each between fiscal 2003 and 2006. After declining steadily between fiscal 2002 and 2004, the percent of first generation college-goers is expected to increase in fiscal 2005. The percent of international students is expected to remain the same.

**Exhibit 1**  
**Diversity of Entering Freshman Classes**

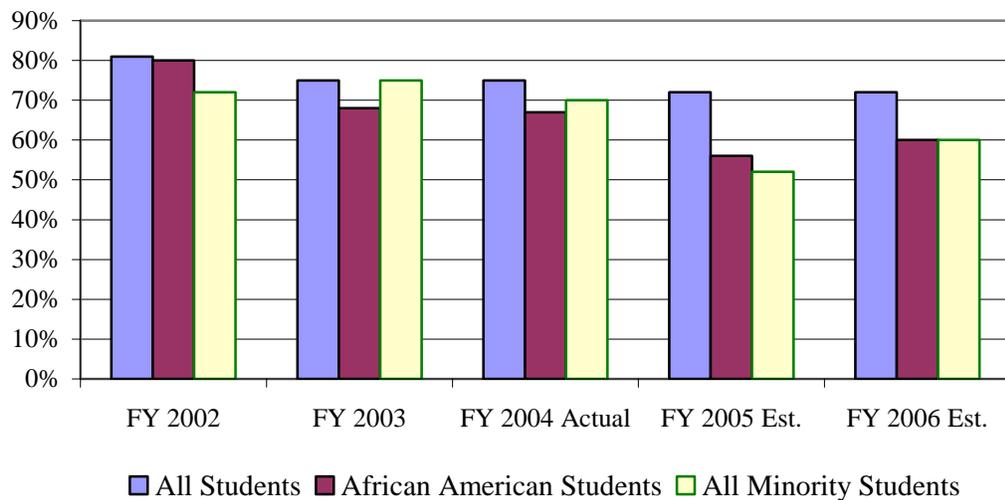


Source: St. Mary’s College of Maryland

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The six-year graduation rates for all minority students, African American students, and all students are shown in **Exhibit 2**. The graduation rates for each of these categories have been decreasing since fiscal 2002. The graduation rates for African Americans and all minority students have the most significant decreases. The rate for African Americans is expected to decrease 11 percentage points from fiscal 2004 to 2005. The rate for all minorities is expected to decrease 22 percentage points during the same period. **The President should provide an explanation for the decline in graduation rates between 2002 and 2004 and the projected significant decline in minority graduation rates in 2005.**

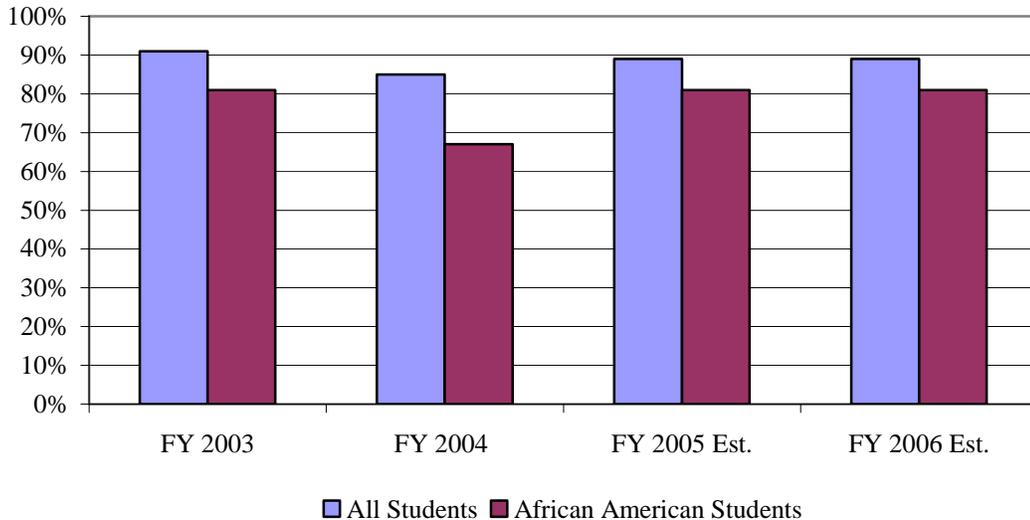
**Exhibit 2  
Trends in Six-year Graduation Rates**



Source: St. Mary’s College of Maryland

**Exhibit 3** shows that the two-year retention rates for all students and African American students declined slightly in fiscal 2004 from fiscal 2003. The retention rates for both groups are expected to increase in fiscal 2005 and remain stable in fiscal 2006.

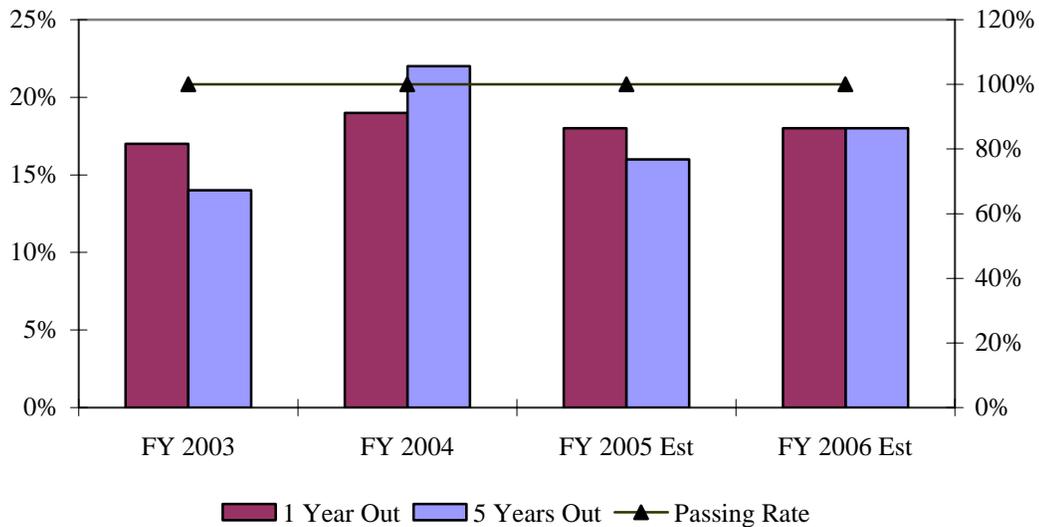
**Exhibit 3**  
**Trends in Second-year Retention Rates**



Source: St. Mary’s College of Maryland

One of SMCM’s Managing for Results goals is to increase its contribution to the Maryland workforce, particularly in terms of teachers. **Exhibit 4** highlights the percentage of SMCM graduates who become teachers after passing the teacher certification exams. Students must pass this exam to graduate from the SMCM program and to be licensed to teach in the State. As the exhibit shows, the passing rate has consistently been at 100%. However, the percent of graduates who are in the teaching profession one year out and five years out is strikingly low. The estimate for fiscal 2005 is that 18% of the students who pass the certification exams will be teachers one year out from graduation. For alumni five years out, the estimate for fiscal 2005 is that only 16% will still be teachers. **The President should comment on the number of graduates who will become teachers and the efforts to increase the percent of those who enter and continue in the profession.**

**Exhibit 4  
Teacher Certification Passing Rates**



Source: St. Mary’s College of Maryland

**Governor’s Proposed Budget**

**Fiscal 2002 to 2005 Changes**

The Governor’s proposed budget detailing revenues and expenditures through fiscal 2006 for current unrestricted funds is shown in **Exhibit 5**. Education and general expenditures grew 21% between fiscal 2002 and 2005. Also during this period, auxiliary enterprises grew by \$5.3 million, or 95%, due to the opening of a new athletic facility, two new residence halls, and additional food service and bookstore expenses. Additional debt service is budgeted as an auxiliary expense as an accounting requirement to reclassify debt service expenditures from expense to transfers as part of the year end closing process.

There were 12 new positions added in fiscal 2005. Two of the positions were converted from contractual to regular positions. The remaining 10 positions were additions due to a 50% increase in resident hall bed capacity over the past two years and the recently renovated recreation centers.

General fund support decreased by 5.1% while tuition and fee revenues increased \$6.9 million, or 58%. In fiscal 2002, revenues were reduced by approximately \$203,000 due to transfers to fund balance. However, in fiscal 2005, \$898,534 has been transferred from fund balance to support \$428,842 in encumbrances from the previous year, and budget balances carried forward totaling \$469,692. These carry forwards were supported by an increase to fund balance of \$980,365 in the prior fiscal year.

**Exhibit 5**  
**Budget Changes for Current Unrestricted Funds by Program**  
**Fiscal 2002, 2005, and 2006**  
**(\$ in Thousands)**

	<u>FY 2002</u>	<u>FY 2005</u> <u>Working</u>	<u>FY 02-05</u> <u>% Change</u>	<u>FY 2006</u> <u>Allowance</u>	<u>FY 05-06</u> <u>\$ Change</u>	<u>FY 05-06</u> <u>% Change</u>
<b><u>Expenditures</u></b>						
Instruction	\$11,925	\$14,404	20.8%	\$14,914	\$510	3.5%
Public Service	543	249	-54.1%	235	-14	-5.6%
Academic Support	2,070	2,122	2.5%	2,282	160	7.5%
Student Services	3,698	4,534	22.6%	4,730	196	4.3%
Institutional Support	8,114	8,890	9.6%	8,880	-10	-0.1%
Operation and Maintenance of Plant	2,600	2,772	6.6%	3,278	506	18.3%
Scholarships and Fellowships	1,616	3,932	143.3%	4,303	371	9.4%
<b>Subtotal Education and General</b>	<b>30,566</b>	<b>36,903</b>	<b>20.7%</b>	<b>38,622</b>	<b>1,719</b>	<b>4.7%</b>
Auxiliary Enterprises	\$5,512	\$10,769	95.4%	10,968	199	1.8%
<b>Total</b>	<b>\$36,078</b>	<b>\$47,672</b>	<b>32.1%</b>	<b>49,590</b>	<b>1,918</b>	<b>4.0%</b>
<b><u>Revenues</u></b>						
Tuition and Fees	12,389	19,295	55.7%	21,058	1,763	9.1%
General Funds	14,722	13,978	-5.1%	14,592	615	4.4%
Other	1,572	1,025	-34.8%	1,073	48	4.7%
<b>Subtotal</b>	<b>28,683</b>	<b>34,298</b>	<b>19.6%</b>	<b>36,723</b>	<b>2,425</b>	<b>7.1%</b>
Auxiliary Enterprises	7,598	12,476	64.2%	12,866	390	3.1%
Transfers (to) from fund balance	-203	899	-542.9%	0	-899	-100.0%
<b>Total</b>	<b>\$36,078</b>	<b>\$47,673</b>	<b>\$32.1%</b>	<b>\$49,589</b>	<b>\$1,916</b>	<b>4.0%</b>

Source: Governor’s Budget Books, fiscal 2004 and 2005

**Fiscal 2005 to 2006 Changes**

In the fiscal 2006 allowance, unrestricted fund expenditures increase 4%, or \$1.9 million. Within education and general spending, operation and plant maintenance grows by 18% compared to 8% for academic support, and 4% for student services and instruction, which added two new faculty lines. A 9% increase is planned for scholarships and fellowships. **The President should discuss the growth of operation and plant maintenance.**

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Tuition and fee revenues are expected to generate an additional \$1.8 million, or a 9% increase. There are no plans in the fiscal 2006 allowance to utilize fund balance to support education and general expenses.

**General Fund Allowance**

General fund increases are appropriated to SMCM as provided by the Education Article, § 14-405(b)(ii), which states that the prior year appropriation be increased by funds required to offset inflation. This involves multiplying the prior year appropriation by the implicit price deflator for State and local government. As **Exhibit 6** shows, for fiscal 2006 the price deflator is 3%. This results in a mandated increase of \$419,336 over the adjusted fiscal 2005 general fund appropriation.

Proposed general fund support is \$615,027 more than fiscal 2005. This represents a 4.4% increase, which is 1.4% higher than the price deflator of 3%. Instead of the mandated increase of \$419,336, SMCM will receive an additional \$195,691 which results in an increase similar to Morgan State University and the University System of Maryland.

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**Exhibit 6**  
**St. Mary’s College of Maryland**  
**General Fund Appropriations**

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Price Deflator	2.4%	3.6%	2.6%	3.3%	2.2%	3.0%
Formula	\$12,961,811	\$13,959,919	\$15,106,161	\$14,315,970	\$13,983,894	\$14,397,219
Actual	13,474,825	14,721,919	13,853,271	13,682,871	13,977,883	14,592,910
Difference	513,014	762,000	-1,252,890	-633,099	-6,011	195,691
Actual % Change		9.3%	-5.9%	-1.2%	2.2%	4.4%

Source: Department of Legislative Services

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**Tuition and Fee and General Fund Revenues**

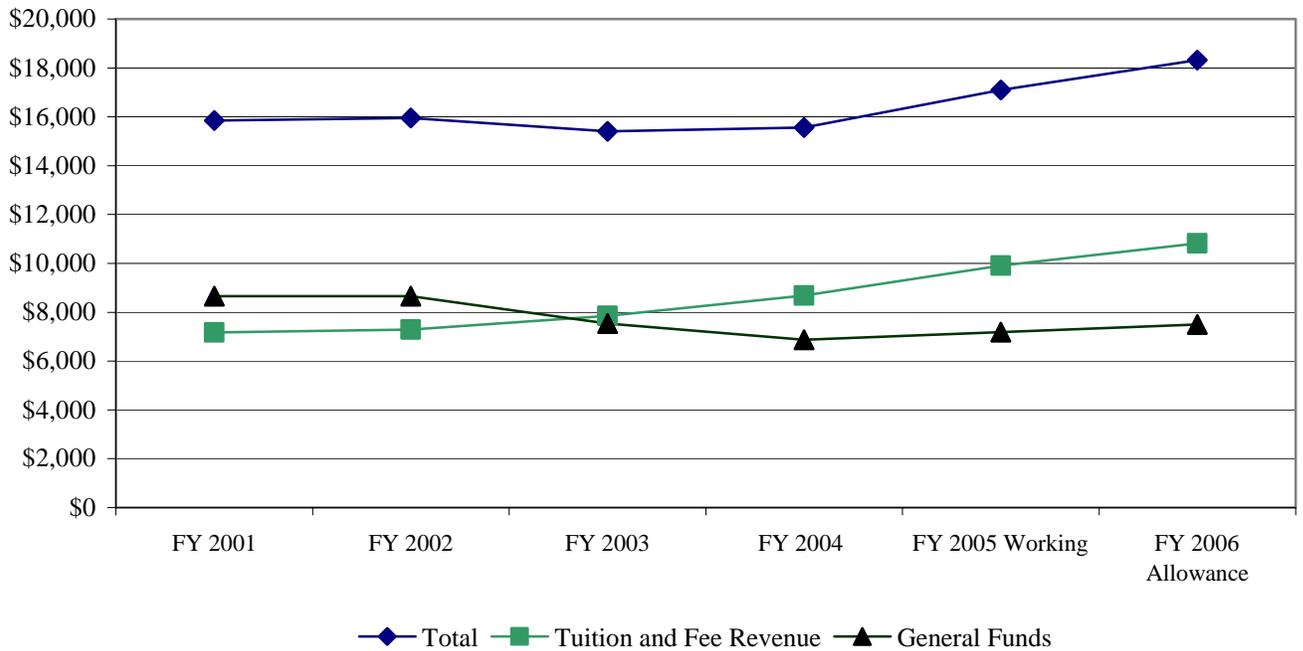
**Exhibit 7** shows the tuition and fee and general fund revenues per full-time equivalent student (FTES) from fiscal 2001 through 2006. Prior to fiscal 2003, several funds accounted for a larger share of SMCM’s revenues than tuition and fees. When State appropriations began to decline in fiscal 2003, tuition and fee revenue eclipsed general funds. General fund support continued declining in fiscal 2004. Since fiscal 2004, general funds have increased 2% to 4% annually. However, tuition

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and fee revenue continues to grow at a faster pace than general funds. In fiscal 2003 and 2004, tuition and fee revenue grew by double digits. Since fiscal 2004, it has generated more than half of total revenues. By fiscal 2006, it is estimated tuition and fee revenue will make up nearly 60% of total revenues for SMCM.

**Exhibit 7  
Tuition and Fee and General Fund Revenues per FTE Student**



Source: Department of Budget and Management

## *Issues*

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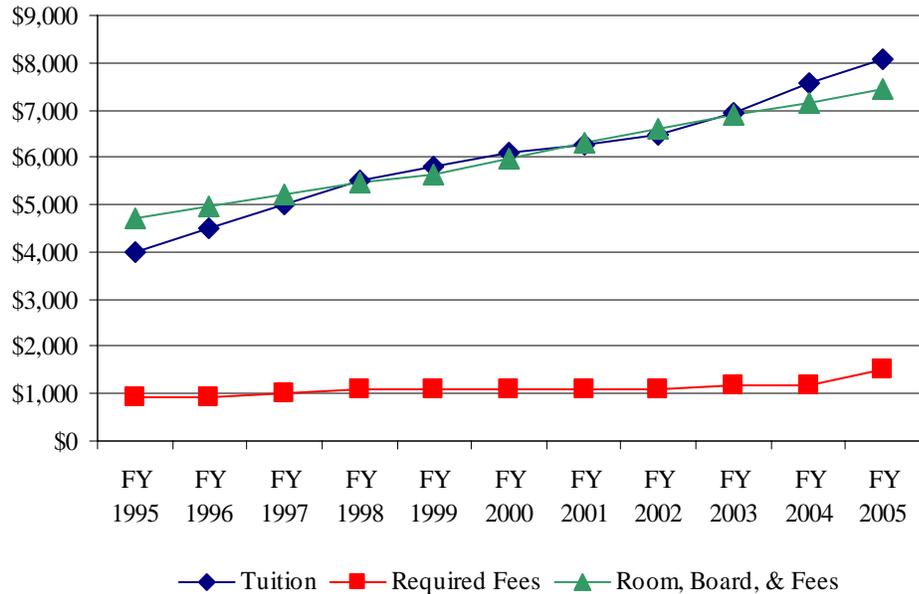
### **1. Mandatory Fees and Institutional Aid Increase Dramatically**

A key component to measuring the affordability of a postsecondary education is determined by the total cost to students and their families. **Exhibit 8** looks at the annual fixed charges included in the total costs in-state students pay at SMCM. As the exhibit shows, as tuition rates rose, required fees, which include a mandatory fee and a facility fee dedicated to the plant budget, increased as well, but at a smaller rate until fiscal 2004. In fiscal 2005, mandatory fees increased by 28% over fiscal 2004. Overall, mandatory fees grew at an annual rate of 5.2% between fiscal 1995 and 2005.

Tuition has grown at an annual rate of 7.3% from fiscal 1995 to 2005. In fiscal 2002, tuition rates increased nearly 18% over fiscal 1998. During the same period the mandatory fees did not increase at all. From fiscal 1996 to 1998, tuition rates had double digit increases; they have been limited to single digits from 1999 to 2005. SMCM’s Board of Trustees has not approved tuition and fee rates for fiscal 2006.

Room and board costs have grown at an annual rate of 4.7% from fiscal 1995 to 2005. Beginning in the 2001 – 2002 academic year, students living on campus were required to pay an additional room and board fee for technology costs in the residence halls. **The President should comment on why mandatory fees increased in fiscal 2005 and plans for tuition and fee increases in fiscal 2006.**

**Exhibit 8**  
**Annual Fixed Charges for In-state**  
**St. Mary’s College of Maryland Students**  
**Fiscal 1995 – 2005**



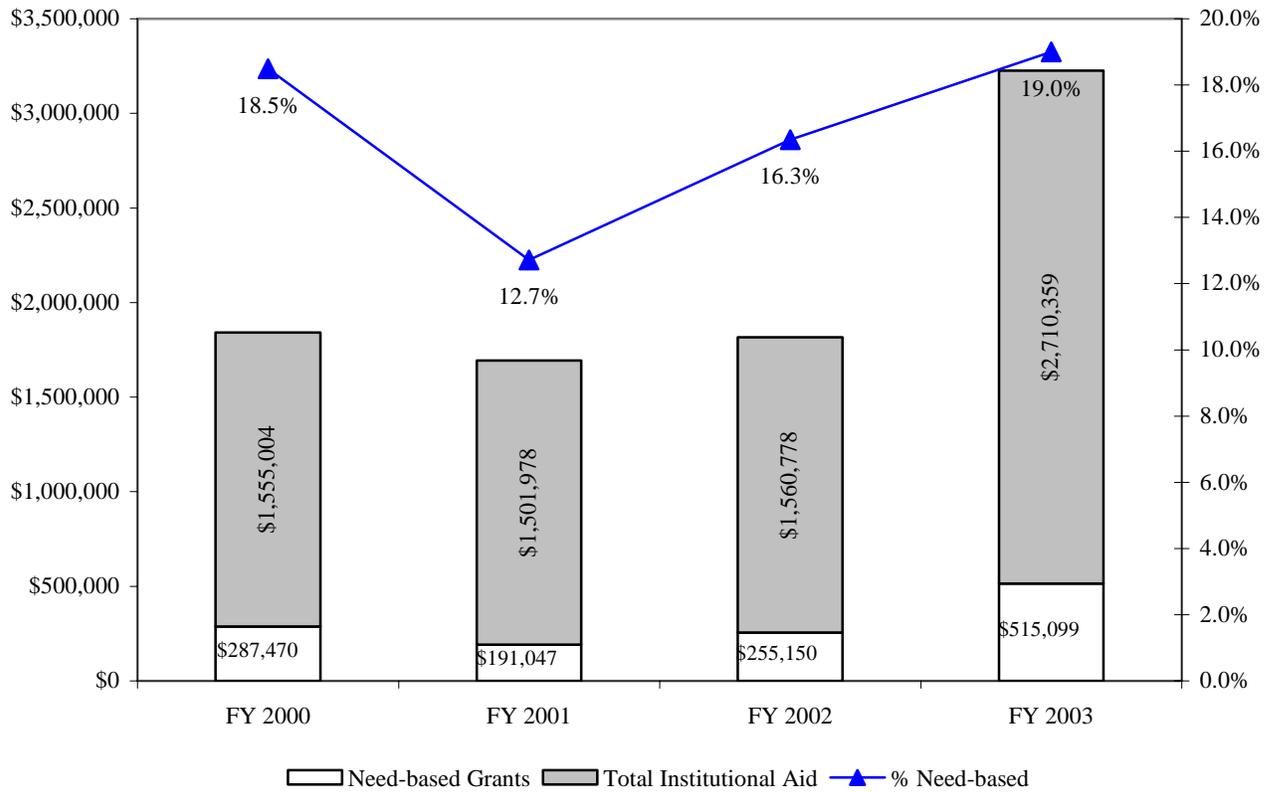
Note: Tuition and fees are pending final St. Mary’s Board of Trustees approval.

Source: St. Mary’s College of Maryland

**Institutional Aid**

Between fiscal 2000 and 2003, the total amount of institutional aid provided by St. Mary’s increased by 74%. **Exhibit 9** shows the trends in total institutional aid and compares it to that which is need-based. As the exhibit shows, the proportion of need-based institutional aid decreased significantly in fiscal 2001 to 12.7%. Additionally, in fiscal 2001 the median percent of financial need met for in-state students was only 3%. As total institutional aid increased in fiscal 2002 and 2003, so did the percent of need-based aid, increasing to 16.3% and then to 19%. The percent of financial need met, however, increased to 16% in fiscal 2002 but declined slightly in fiscal 2003. This decline corresponds with a 6.9% increase in tuition, a 7.6% increase in required fees, and a 4.1% increase in room, board, and fees over fiscal 2002.

**Exhibit 9  
Trends in Institutional Aid  
Fiscal 2000 – 2003**



<b><u>Institutional Aid</u></b>	<b><u>FY 2000</u></b>	<b><u>FY 2001</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>
Need-based Grants	\$287,470	\$191,047	\$255,150	\$515,099
High Ability	1,267,534	1,310,931	1,305,628	0
Other Institutional Scholarships	0	0	0	2,195,260
<b>Total</b>	<b>\$1,555,004</b>	<b>\$1,501,978</b>	<b>\$1,560,778</b>	<b>\$2,710,359</b>
Median percent of financial need met for in-state students		3%	16%	15%

Note: St. Mary’s College does not provide athletic scholarships as part of institutional aid.

Source: Maryland Higher Education Commission, S-5 Report; St. Mary’s College

## 2. Faculty Workload Increasing

Faculty workload is one measure of institutional efficiency. **Exhibit 10** shows the instructional workload of full-time tenured and tenure-track faculty at SMCM. Between the 1999 – 2000 and 2003 – 2004 academic years, faculty workloads have increased. The workloads at SMCM are not directly comparable to other State higher education institutions in that SMCM offers mostly four-credit courses instead of three-credit courses. Additionally, the workloads do not include the St. Mary’s Project, an eight-credit, independent research or creative project supervised by a faculty member and presented in a public forum. **The President should comment on faculty workload expectations and how St. Mary’s calculates workload levels.**

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**Exhibit 10**  
**St. Mary’s College of Maryland**  
**Course Units Taught by Full-time Equivalent Tenured and**  
**Tenure-track Faculty<sup>1</sup>**

<u>1999-2000</u> <u>Courses/FTEF</u>	<u>2000-2001</u> <u>Courses/FTEF</u>	<u>2001-2002</u> <u>Courses/FTEF</u>	<u>2002-2003</u> <u>Courses/FTEF</u>	<u>2003-2004</u> <u>Courses/FTEF</u>
7.0	7.1	7.0	7.2	7.5

<sup>1</sup> Tenured and tenure-track faculty includes sabbaticals.

Courses do not include independent study, St. Mary’s Project, or private music instruction.

Note: FTEF = Full-time equivalent faculty.

Source: St. Mary’s College of Maryland

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## 3. Executive Salaries above Median, Mid-level Administrative Salaries Closer to Median

An analysis of administrative salaries by the Department of Legislative Services found that average faculty salaries at Maryland’s four-year public higher education institutions vary widely compared to peers in other states. The administrative salary analysis is based on fiscal 2004 data from the College and University Professional Association (CUPA) for Human Resources. Salaries for positions at or above the director level are reported with executive-level data, while positions below the director level are reported in mid-level data.

### Executive-level Salaries

Five executive positions (president, chief business officer, chief of personnel, director of library services, and registrar) were selected for the comparison to represent several functional administrative areas. For executive-level positions, CUPA categorizes institutions according to their operating

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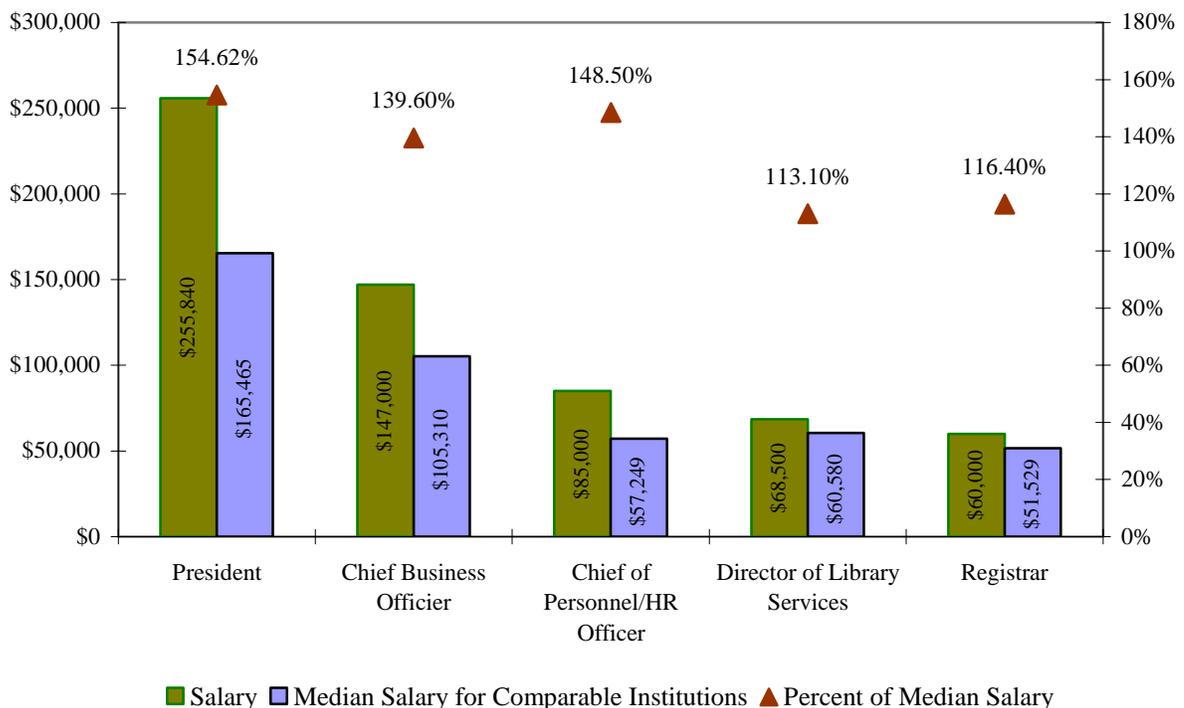
budget size and compares them on a national level since institutions draw from a nationwide pool to fill top-level vacancies. The fiscal 2004 data represents 1,379 institutions, of which 52% are public and 48% are private.

A comparison of the fiscal 2004 salaries of St. Mary’s five executive positions and median salaries at similar-size institutions is shown in **Exhibit 11**. The exhibit shows that of the executive level positions surveyed, each is higher than the median salaries for comparable institutions. The differences range from \$90,000 at the President level to \$8,000 at the Director of Library Service level. The salaries of the Director of Library Services and the Registrar most closely resemble the median salaries at other institutions.

The exhibit also shows the percent of the comparable median salary that each position comprises. Again, each executive position is compensated above the national median. The disparities between the SMCM salaries and the median vary from 55% to 13%.

**The President should comment on the gap between executive salaries at St. Mary’s and the median salaries at comparable institutions.**

**Exhibit 11**  
**Executive Salaries at St. Mary’s College of Maryland**  
**Fiscal 2004**



Source: College and University Professional Association for Human Resources; Department of Legislative Services

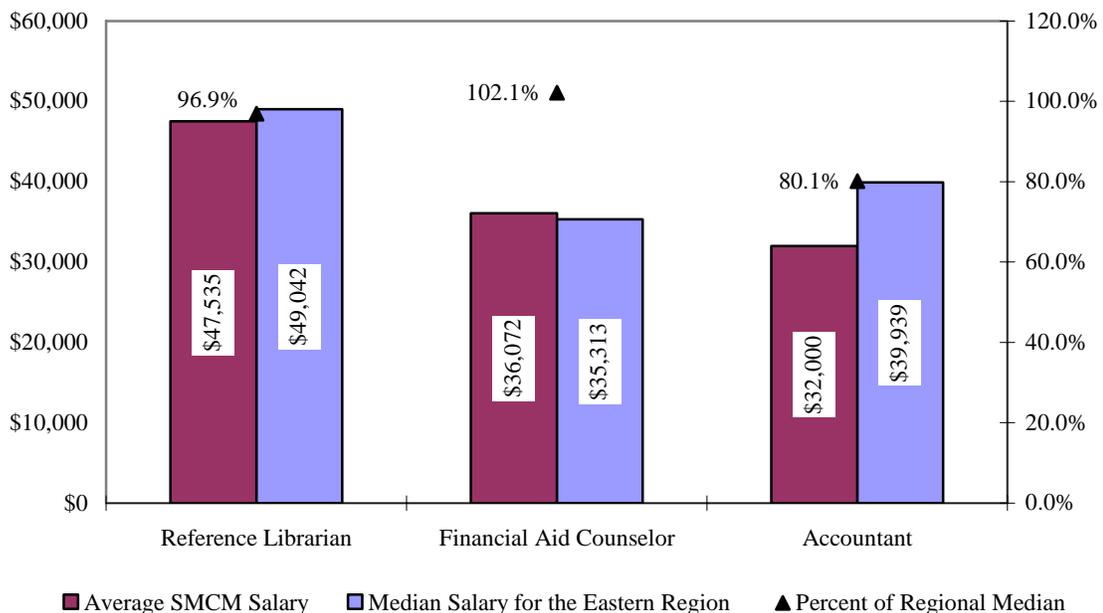
### Mid-level Salaries

For mid-level administrative positions, three positions – reference librarian, financial aid counselor, and accountant – were selected for comparison. Like the executive positions, they represent several functional areas. CUPA data for mid-level comparisons are condensed into a regional median since recruitment for these positions is usually regional.

The regional medians reported by CUPA for each position apply to all institutions in the region regardless of their budget sizes. The mid-level salary survey had 1,131 institutions responding, and public and private institutions each accounted for approximately 50% of the sample. For purposes of the survey, the eastern region includes Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

The fiscal 2004 salaries of mid-level positions at SMCM and the eastern region are shown in **Exhibit 12**. According to CUPA, the average salaries at SMCM for the reference librarian and accountant positions are below the median salaries for the region. Of the positions reported, only the financial aid counselor position is above the median. The average salary for this position was \$36,072, or 102% of the regional median.

**Exhibit 12**  
**Average Mid-level Administrative Salaries**  
**St. Mary’s College of Maryland**  
**Fiscal 2004**



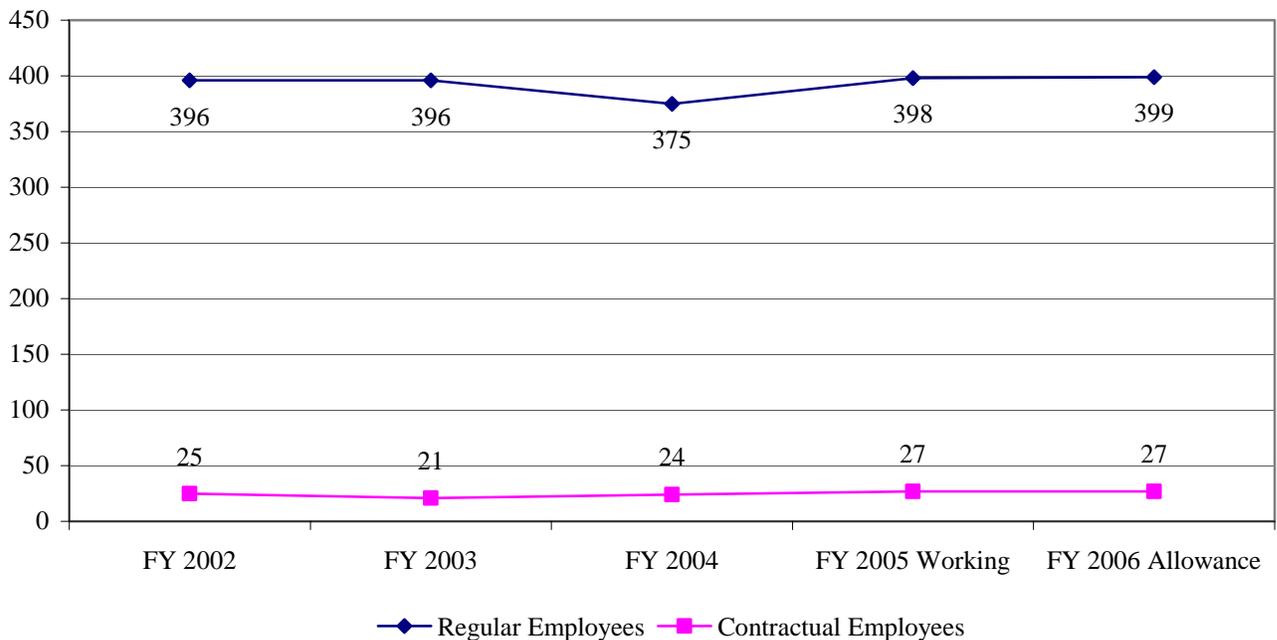
Note: The director, associate director, and assistant director of financial aid provide financial aid counseling. The salary indicated is for the assistant director.

Source: College and University Professional Association for Human Resources; Department of Legislative Services

## Personnel

The total SMCM workforce, regular and contractual, is 426 in the fiscal 2006 allowance. This represents less than a 1% increase from fiscal 2005. Regular positions are 6.4% higher in the allowance than they were in fiscal 2004, and contractual positions are 14.4% higher, as shown in **Exhibit 13**.

**Exhibit 13**  
**St. Mary’s College of Maryland**  
**Regular and Contractual Employees Chart**



Source: St. Mary’s College of Maryland

**Exhibit 14** shows how the composition of SMCM personnel has changed from fiscal 2002 to 2005. Personnel increased a net of 15 positions from fiscal 2004 to 2005. Instructional personnel – who fulfill the institution’s core mission – have increased by 8 full-time equivalent employees (FTEs). Categories such as institutional support and auxiliary enterprises that lost positions in fiscal 2004 have additional personnel in fiscal 2005. The number of research personnel decreased by 20 positions, while academic support gained 20 positions.

**Exhibit 14**  
**St. Mary’s College of Maryland**  
**Full-time Equivalent Personnel by Budget Program**  
**Fiscal 2002, 2004, and 2005**

<u>Budget Program</u>	<u>FY 2002</u> <u>FTEs</u>	<u>% of</u> <u>Total</u> <u>FTEs</u>	<u>FY 2004</u> <u>FTEs</u>	<u>% of</u> <u>Total</u> <u>FTEs</u>	<u>FY 2005</u> <u>FTEs</u>	<u>% of</u> <u>Total</u> <u>FTEs</u>	<u>Change in</u> <u>Share of Total</u> <u>FY 02-05</u>
Instruction	150.00	39.8%	155.00	41.2%	163.00	41.7%	1.9%
Research	21.00	5.6%	20.00	5.3%	0.00	0.0%	-5.6%
Public Service	2.00	0.5%	2.00	0.5%	0.00	0.0%	-.05%
Academic Support	0.00	0.0%	0.00	0.0%	20.00	5.1%	5.1%
Student Services	57.00	15.1%	56.00	14.9%	55.00	14.1%	-1.0%
Institutional Support	79.00	21.0%	76.00	20.2%	81.00	20.7%	-0.3%
Operations/Plant Maintenance	33.00	8.8%	33.00	8.8%	32.00	8.2%	-0.6%
Auxiliary Enterprises	35.00	9.3%	34.00	9.0%	40.00	10.2%	0.9%
Scholarships and Fellowships	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.0%
Total	377.00	100.0%	376.00	100.0%	391.00	100.0%	

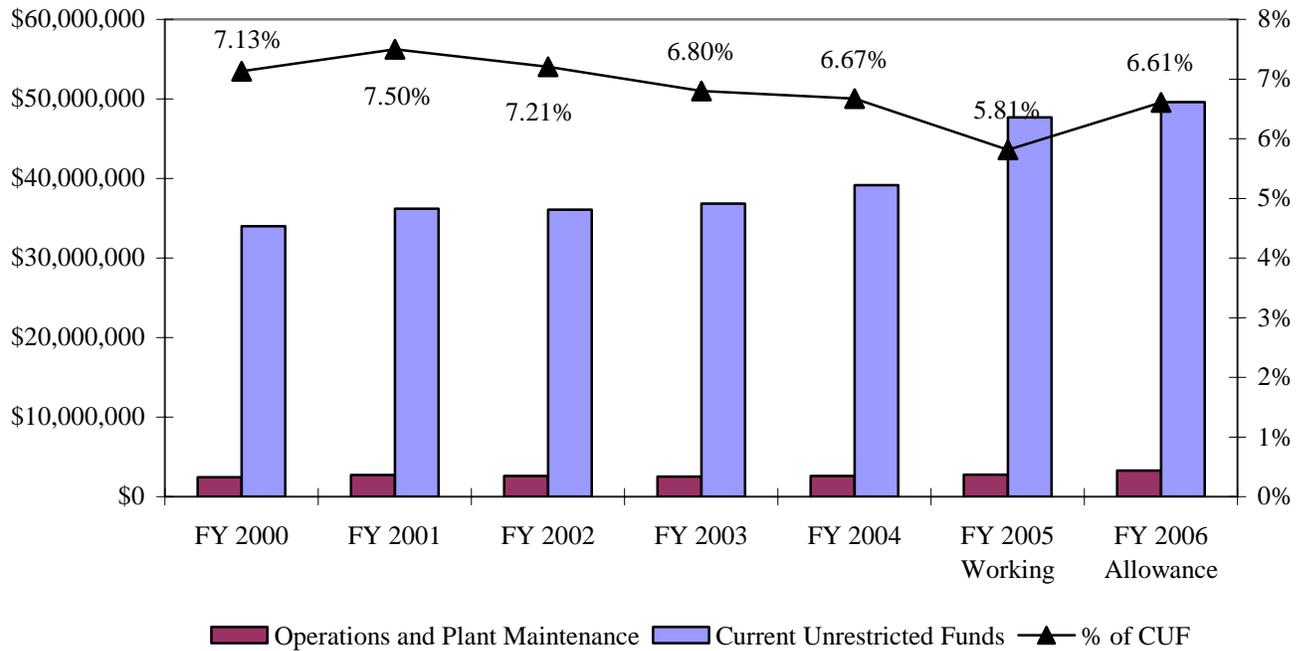
Note: Data are for filled positions only.

Source: St. Mary’s College of Maryland

#### 4. Facilities Maintenance

Facilities renewal or maintenance is a common concern among campuses throughout Maryland. A 1992 University System of Maryland (USM) Board of Regents’ policy directs system institutions to set aside funds for maintenance in their operating budgets equal to 2% of the current replacement value of all capital assets. The policy is based on accepted industry standards. St. Mary’s is not a part of USM and currently has no such guideline in place. Comparing operations and plant maintenance expenditures against current unrestricted funds, as shown in **Exhibit 15**, reveals how much St. Mary’s devotes to facilities maintenance. Since fiscal 2000, St. Mary’s has used as much as 7.5% and as low as 5.8% of current unrestricted funds on operations and plant maintenance.

**Exhibit 15**  
**Operations and Plant Maintenance Expenditures Compared to**  
**Current Unrestricted Fund Expenditures**  
**Fiscal 2000 – 2006**



Source: St. Mary’s College of Maryland

There are three fees supporting St. Mary’s operation and plant budget from which portions are allocated toward maintenance. The student facility fee generates approximately \$615,000 per year. The student room fee generates \$260,000 per year for residence hall maintenance, and \$54,000 from an annual parking fee is used for parking lot maintenance. Facility renewal and replacement expenditures are not budgeted within operations and plant maintenance to any significant degree. Capital construction and major renovations, renewal, and replacements are all budgeted in the plant fund. **The President should comment on how St. Mary’s percentage of maintenance funds compares to the current replacement value of all capital assets standard. The President should also comment on how St. Mary’s spending on facilities renewal compares to the current replacement value of all capital assets standard.**

***Recommended Actions***

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1. Concur with Governor’s allowance.

***Current and Prior Year Budgets***

**Current and Prior Year Budgets**  
**St. Mary's College of Maryland**  
(\$ in Thousands)

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Other</u></b> <b><u>Unrestricted</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b> <b><u>Unrestricted</u></b> <b><u>Fund</u></b>	<b><u>Restricted</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$14,065	\$27,510	\$41,575	\$3,600	\$45,175
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	1,492	1,492	0	1,492
Cost Containment	-382	0	-382	0	-382
Reversions and Cancellations	0	-3,526	-3,526	-695	-4,221
<b>Actual Expenditures</b>	<b>\$13,683</b>	<b>\$25,475</b>	<b>\$39,158</b>	<b>\$2,905</b>	<b>\$42,063</b>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$13,978	\$29,546	\$43,524	\$3,600	\$47,124
Budget Amendments	0	4,148	4,148	0	4,148
<b>Working Appropriation</b>	<b>\$13,978</b>	<b>\$33,694</b>	<b>\$47,672</b>	<b>\$3,600</b>	<b>\$51,272</b>

Note: Numbers may not sum to total due to rounding.

**Fiscal 2004**

SMCM’s general funds were reduced \$381,955 in fiscal 2004 through the Governor’s July 2003 cost containment action. Budget amendments added \$1.5 million to other unrestricted funds largely due to tuition and fees and increased revenues from auxiliary services, primarily room and board.

Other unrestricted funds were decreased by \$3.5 million, which reflects \$2.3 million in debt service expenses and \$898,000 in encumbrance or special Board of Trustee action obligations.

Restricted funds were decreased by \$695,054 due to cancellations related to grants.

## Audit Findings

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Audit Period for Last Audit:	July 1, 2000 – May 4, 2003
Issue Date:	February 2004
Number of Findings:	5
Number of Repeat Findings:	<b>2</b>
% of Repeat Findings:	<b>40%</b>
Rating: (if applicable)	

**Finding 1: Changes to student grades recorded on the college’s automated system were not independently verified to appropriate source documents.**

**Finding 2: Proper internal controls were not established over the processing of certain disbursement transactions.**

**Finding 3: Program change controls and microcomputer security procedures were not sufficient.**

**Finding 4: The college’s internal computer network was not adequately secured.**

**Finding 5: The college did not have adequate plans addressing information systems resource security or disaster recovery.**

\*Bold denotes item repeated in full or part from preceding audit report.

**Object/Fund Difference Report  
St Mary's College of Maryland**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	375.00	398.00	399.00	1.00	0.3
02 Contractual	23.50	26.96	26.89	-0.07	-0.3
<b>Total Positions</b>	<b>398.50</b>	<b>424.96</b>	<b>425.89</b>	<b>0.93</b>	<b>0.2'</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 22,329,158	\$ 24,947,722	\$ 26,756,914	\$ 1,809,192	7.3
02 Technical & Spec Fees	2,488,060	2,898,380	2,891,439	-6,941	-0.2
03 Communication	375,279	433,153	423,544	-9,609	-2.2
04 Travel	760,171	870,055	825,166	-44,889	-5.2
06 Fuel & Utilities	1,254,354	1,422,268	1,911,537	489,269	34.4
07 Motor Vehicles	179,824	191,484	191,484	0	0
08 Contractual Services	5,333,584	6,121,958	5,590,580	-531,378	-8.7
09 Supplies & Materials	2,733,525	3,103,853	3,415,813	311,960	10.1
10 Equip – Replacement	160,280	152,761	118,612	-34,149	-22.4
11 Equip - Additional	1,529,878	2,110,136	1,673,713	-436,423	-20.7
12 Grants, Subsidies, and Contributions	4,698,537	5,914,002	6,284,786	370,784	6.3
13 Fixed Charges	259,377	3,136,474	3,136,474	0	0
14 Land & Structures	-38,958	-29,898	-29,898	0	0
<b>Total Objects</b>	<b>\$ 42,063,069</b>	<b>\$ 51,272,348</b>	<b>\$ 53,190,164</b>	<b>\$ 1,917,816</b>	<b>3.7'</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 39,158,123	\$ 47,672,348	\$ 49,590,164	\$ 1,917,816	4.0
43 Restricted Fund	2,904,946	3,600,000	3,600,000	0	0
<b>Total Funds</b>	<b>\$ 42,063,069</b>	<b>\$ 51,272,348</b>	<b>\$ 53,190,164</b>	<b>\$ 1,917,816</b>	<b>3.7'</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal Summary  
St Mary's College of Maryland**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
01 Instruction	\$ 13,053,001	\$ 14,711,100	\$ 15,221,620	\$ 510,520	3.5%
02 Research	537,504	656,400	656,400	0	0%
03 Public Service	542,157	629,439	615,799	-13,640	-2.2%
04 Academic Support	2,422,272	2,520,172	2,679,834	159,662	6.3%
05 Student Services	3,944,252	4,613,557	4,809,256	195,699	4.2%
06 Institutional Support	7,351,281	8,890,329	8,879,977	-10,352	-0.1%
07 Operation and Maintenance of Plant	2,612,176	2,771,511	3,278,098	506,587	18.3%
08 Auxiliary Enterprises	7,114,510	10,769,385	10,967,941	198,556	1.8%
17 Scholarships And Fellowships	4,485,916	5,710,455	6,081,239	370,784	6.5%
<b>Total Expenditures</b>	<b>\$ 42,063,069</b>	<b>\$ 51,272,348</b>	<b>\$ 53,190,164</b>	<b>\$ 1,917,816</b>	<b>3.7%</b>
Unrestricted Fund	\$ 39,158,123	\$ 47,672,348	\$ 49,590,164	\$ 1,917,816	4.0%
Restricted Fund	2,904,946	3,600,000	3,600,000	0	0%
<b>Total Appropriations</b>	<b>\$ 42,063,069</b>	<b>\$ 51,272,348</b>	<b>\$ 53,190,164</b>	<b>\$ 1,917,816</b>	<b>3.7%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.