

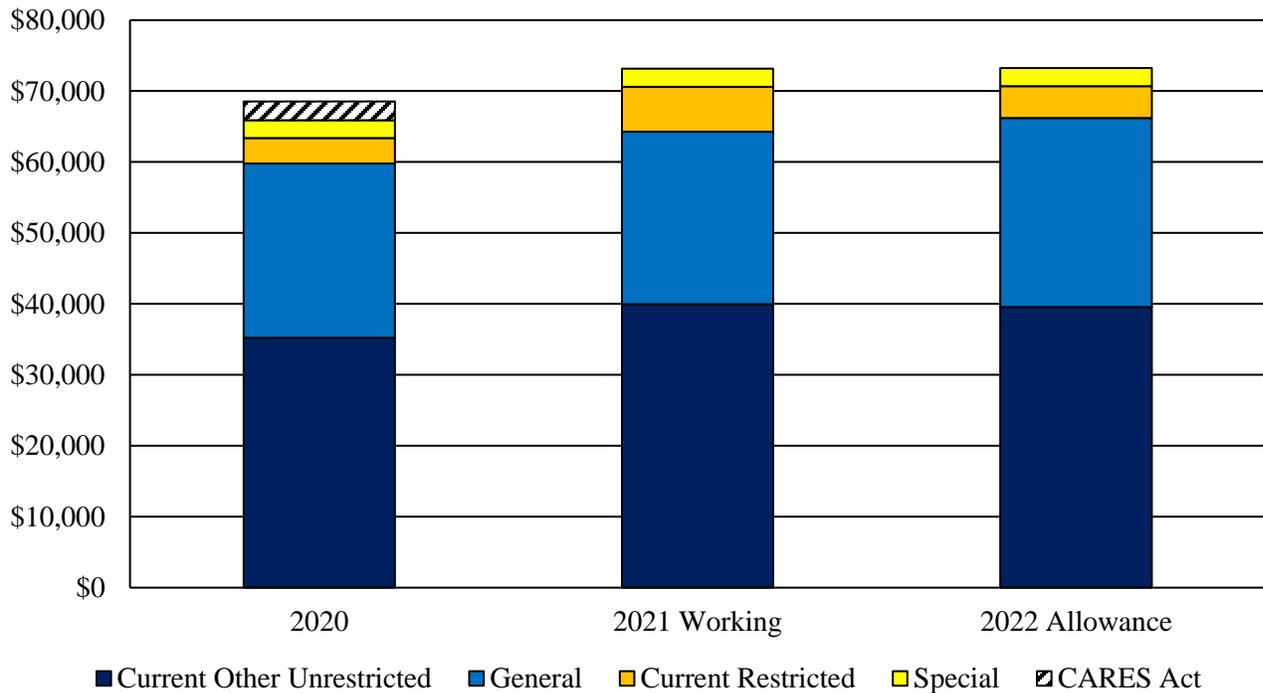
R14D00
St. Mary's College of Maryland

Executive Summary

St. Mary's College of Maryland (SMCM) is Maryland's public honors college. SMCM offers an undergraduate liberal arts education and is committed to the ideals of affordability, accessibility, and diversity.

Operating Budget Summary

Fiscal 2022 Budget Increases \$0.1 Million, or 0.1%, to \$73.2 Million
(\$ in Thousands)



CARES: Coronavirus Aid, Relief, and Economic Security

Note: Numbers may not sum due to rounding. The fiscal 2021 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2022 allowance includes annualization of general salary increases.

RI4D00 – St. Mary’s College of Maryland

- There are three proposed deficiencies for SMCM: \$0.5 million in reimbursable funds for public safety personnel COVID-19-related costs; \$0.4 million in general funds to reimburse SMCM for COVID-19-related expenses; and \$1.0 million in special funds for facility maintenance.
- SMCM received a total of \$2.6 million in Coronavirus Aid, Relief, and Economic Security Act federal and State funding in fiscal 2020.
- Fiscal 2022 State funding increases 8.7%, or 2.3 million, compared to fiscal 2021.

Key Observations

- ***Enrollment:*** Fall 2020 undergraduate enrollment increased by 1 student compared to fall 2019. Out-of-state enrollment increased by 20 students, or 23.5%, relative to fall 2019.
- ***Student Performance:*** Six-year graduation rates remain high relative to peer institutions, but rates vary by student race.
- ***Revenue Loss:*** The move to remote learning and the closing of campus during the spring 2020 semester due to the spread of COVID-19 across the State led to revenue losses due to student refunds and increased costs related to the transition to online courses and maintaining a safe environment on campus.

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

R14D00
St. Mary's College of Maryland

Operating Budget Analysis

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 and a Master of Arts in Teaching. As an honors college, SMCM strives to offer students an educational experience that goes beyond traditional course-based study to foster independent learning and a link between curricular and extracurricular activities and interests. SMCM includes civic responsibility as a cornerstone of its academic and extracurricular programs. The capstone of the SMCM experience is the St. Mary's Project. The college aspires to maintain or strengthen the quality of instructional offerings, to increase the effectiveness of academic support resources, to improve the efficiency of and service provided by administrative units, and to maintain or improve the physical plant facilities to accommodate these goals.

Carnegie Classification: Baccalaureate Colleges – Arts and Sciences

Fall 2020 Undergraduate Enrollment Headcount

Male	597
Female	891
Total	1,488

Fall 2020 Graduate Enrollment Headcount

Male	5
Female	17
Total	22

Fall 2020 New Students Headcount

First-time	381
Transfers/Others	79
Graduate	22
Total	482

Campus (Main Campus)

Acres	361
Buildings	56
Average Age	39
Oldest	1906: St. Mary's Hall

Programs

Bachelor's	24
Master's	1

Degrees Awarded (2019-2020)

Bachelor's	336
Master's	21
Total Degrees	357

Proposed Fiscal 2022 In-state Tuition and Fees*

Undergraduate Tuition	\$12,479
Mandatory Fees	\$3,098

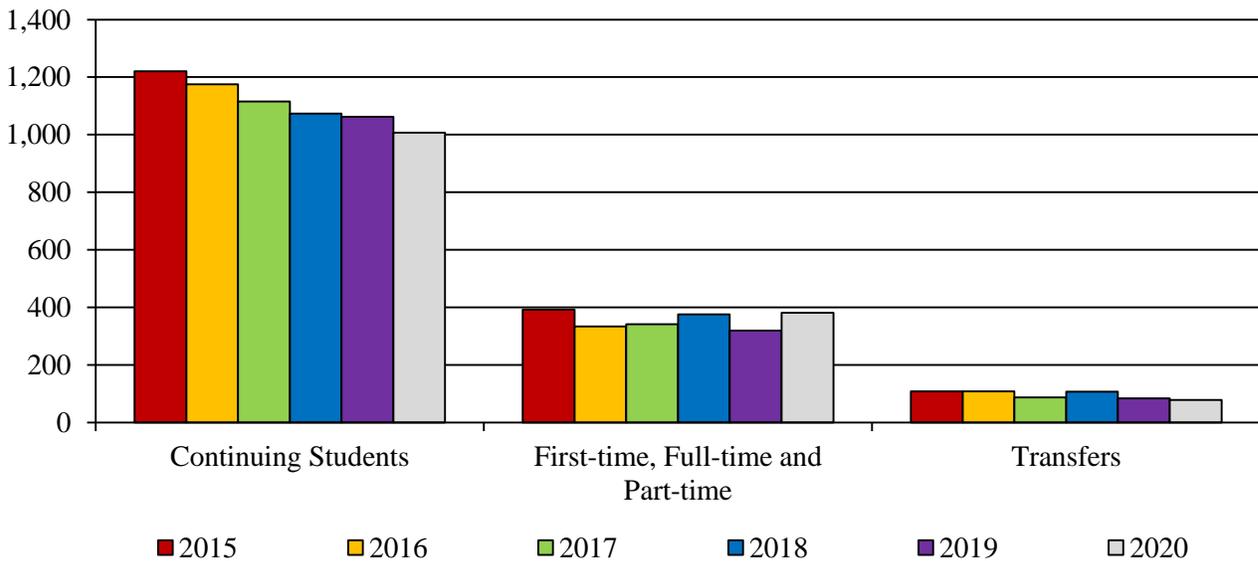
*Contingent on Board of Trustees approval.

Performance Analysis

1. Enrollment

Undergraduate degree-seeking enrollment increased by 1 student from fall 2019 to fall 2020 as shown in **Exhibit 1**. While the continuing student and transfer student population total decreased by 60 from fall 2019 to fall 2020, this total was offset by an increase of 61 students in the first-time, full- and part-time student population. The gain of 1 student represents a shift from the 2019-2020 academic year when SMCM experienced a decrease of 5.8%, or 90 undergraduate students, when compared to the 2018-2019 academic year. While the first-time, full-time (FT/FT) and part-time student population has fluctuated over the past several years, the continuing student population continued a steady decline. Declining class sizes are the primary drive of the dip in continuing students; as new smaller classes replaced larger classes, the number of continuing students has fallen accordingly.

Exhibit 1
Undergraduate Enrollment
Fall 2015-2020

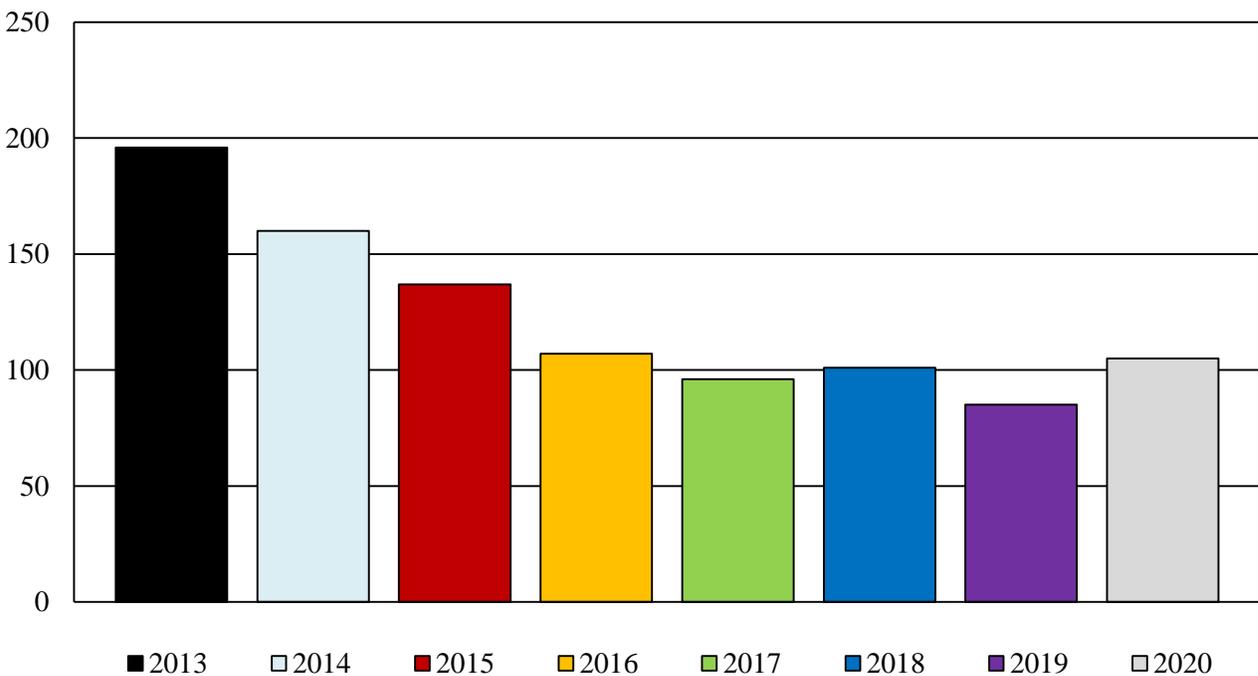


	2015	2016	2017	2018	2019	2020
Continuing Students	1,220	1,175	1,115	1,073	1,062	1,007
First-time, Full-time and Part-time	393	334	342	376	320	381
Transfers	108	109	87	107	84	79

Source: St. Mary’s College of Maryland

Out-of-state enrollment has experienced a significant decline over the last several years but did rebound in fall 2020, as shown in **Exhibit 2**. The overall percentage composition of out-of-state enrollment to total undergraduate enrollment has decreased, going from 10.8% in fall 2013, to 7.1% in fall 2020. This is significant as out-of-state tuition and fees in 2021 totaled \$31,209 per student, while in-state tuition was less than half that amount at \$15,132. SMCM attributes the fall 2020 growth in out-of-state enrollment to changes to recruitment practices and enhanced marketing, both of which incorporated a focus on outreach in contiguous state and the District of Columbia, new branding as *The National Public Honors College*, new LEAD curriculum, and enhanced scholarship awarding to high performing out-of-state applicants.

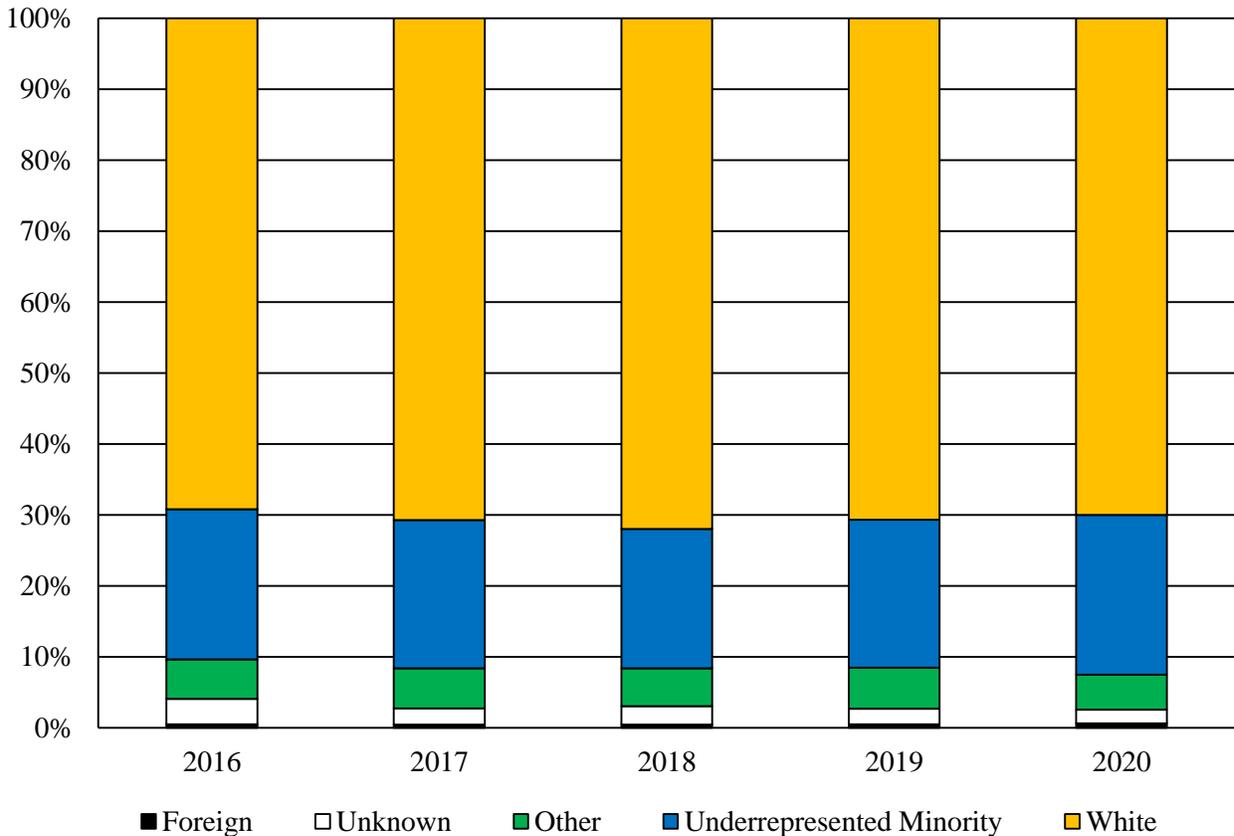
Exhibit 2
Out-of-state Student Enrollment
Fall 2013-2020



Source: St. Mary’s College of Maryland

The ethnic composition of the undergraduate student population at SMCM has remained fairly stable from 2016 through 2020, as shown in **Exhibit 3**. On average, White students represented 72.7% of the undergraduate student population over that period, while underrepresented minorities, including African American, Hispanic, American Indian, and Native Hawaiian students, represented 21.7% of the undergraduate student population.

Exhibit 3
Undergraduate Headcount Enrollment by Ethnicity
Fall 2016-2020

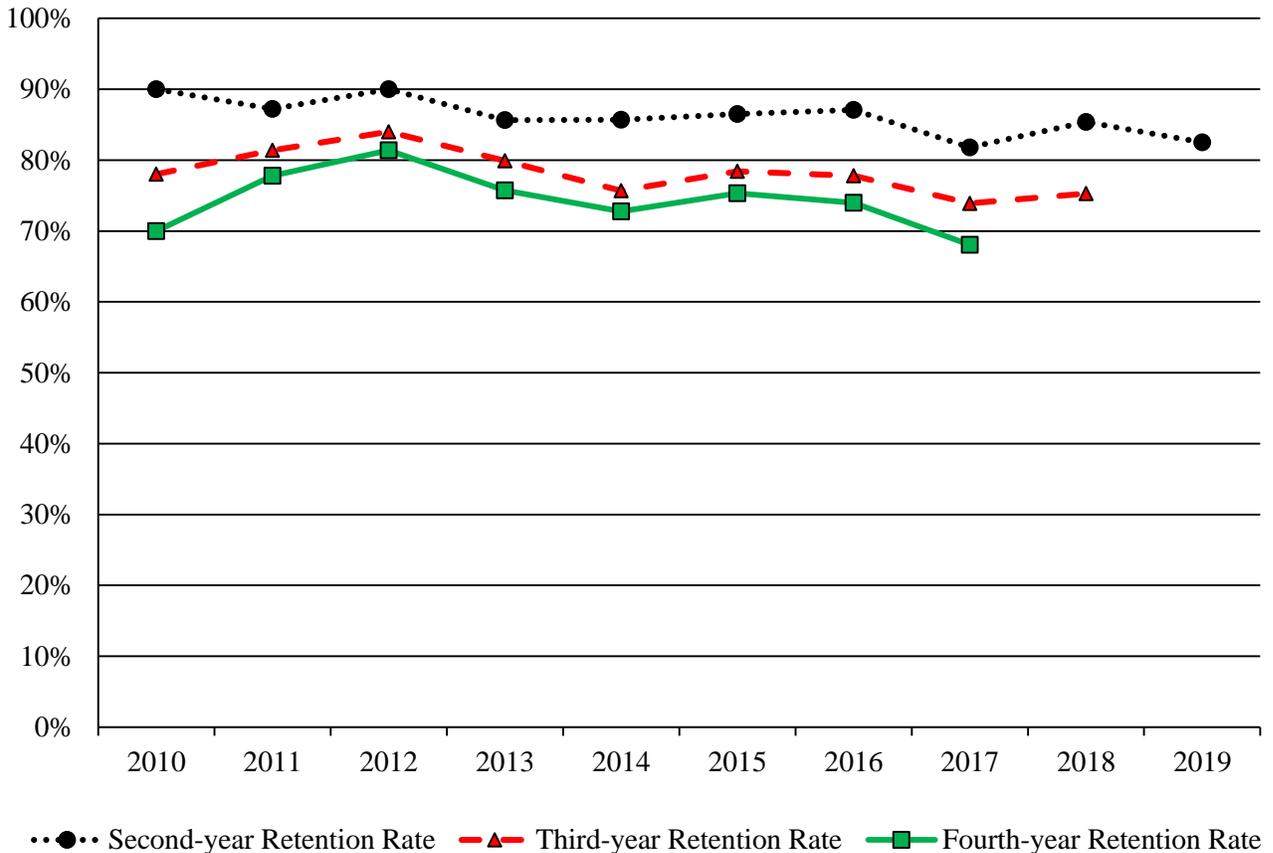


Source: St. Mary’s College of Maryland

2. Student Performance

It is important to look at student retention rates because they foreshadow graduation rates. Colleges with high retention rates tend to have high graduation rates as they reflect student engagement on campus and a commitment to finishing a degree program. **Exhibit 4** shows the second-, third-, and fourth-year retention rates for students at SMCM. All cohorts have lower retention rates since the high in 2012, although the decrease is much more pronounced for fourth-year retention, falling from 81.4% to 68%, or 13.3 percentage points between 2012 and 2017. **The President should comment on retention at SMCM, focusing on fourth-year retention, and address what actions are in place to retain the continuing student population.**

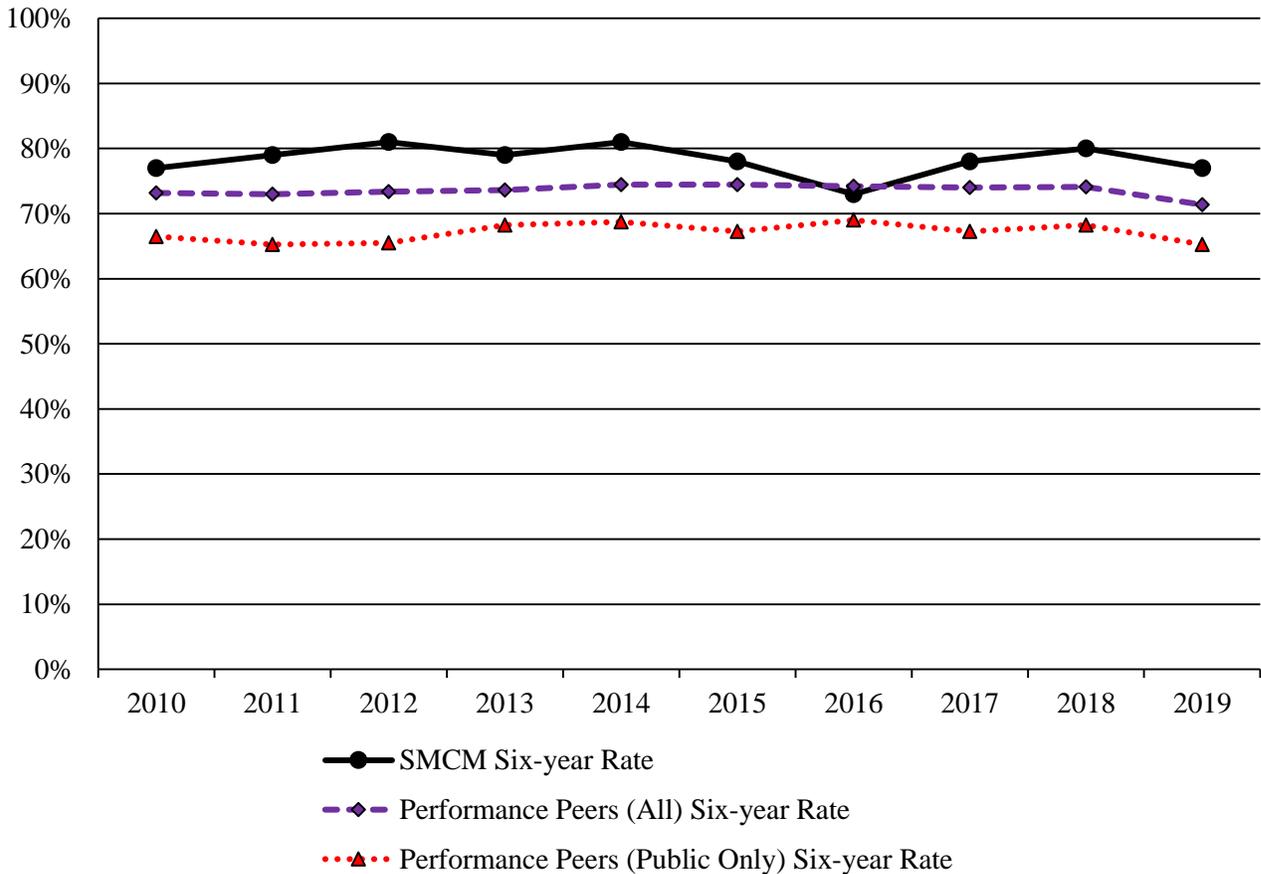
Exhibit 4
Second-, Third-, and Fourth-year Retention Rates
Fall 2010-2019



Source: St. Mary’s College of Maryland

One of the most direct ways to measure the effectiveness of a college is to look at the graduation rates of its students. **Exhibit 5** shows the six-year graduation rates of students at SMCM and the average for SMCM’s competitor peers and public-only competitor peers between fall 2010 and 2019. SMCM’s peer institutions have been approved by the Maryland Higher Education Commission and are used to benchmark SMCM’s performance. During this period, SMCM had six-year graduation rates that exceeded both the collective peer group, as well as the collective public-only peer group, in each year, with the exception of 2016 when the SMCM rate fell 1.2 percentage points below the total performance peer rate. SMCM exceeded the public-only peer group each year and was, on average, 11.2 percentage points higher than this group, indicating that SMCM has been very successful at graduating their students within six years relative to their public peer institutions.

Exhibit 5
SMCM and Peer Institution’s Six-year Graduation Rates
Fall 2010-2019

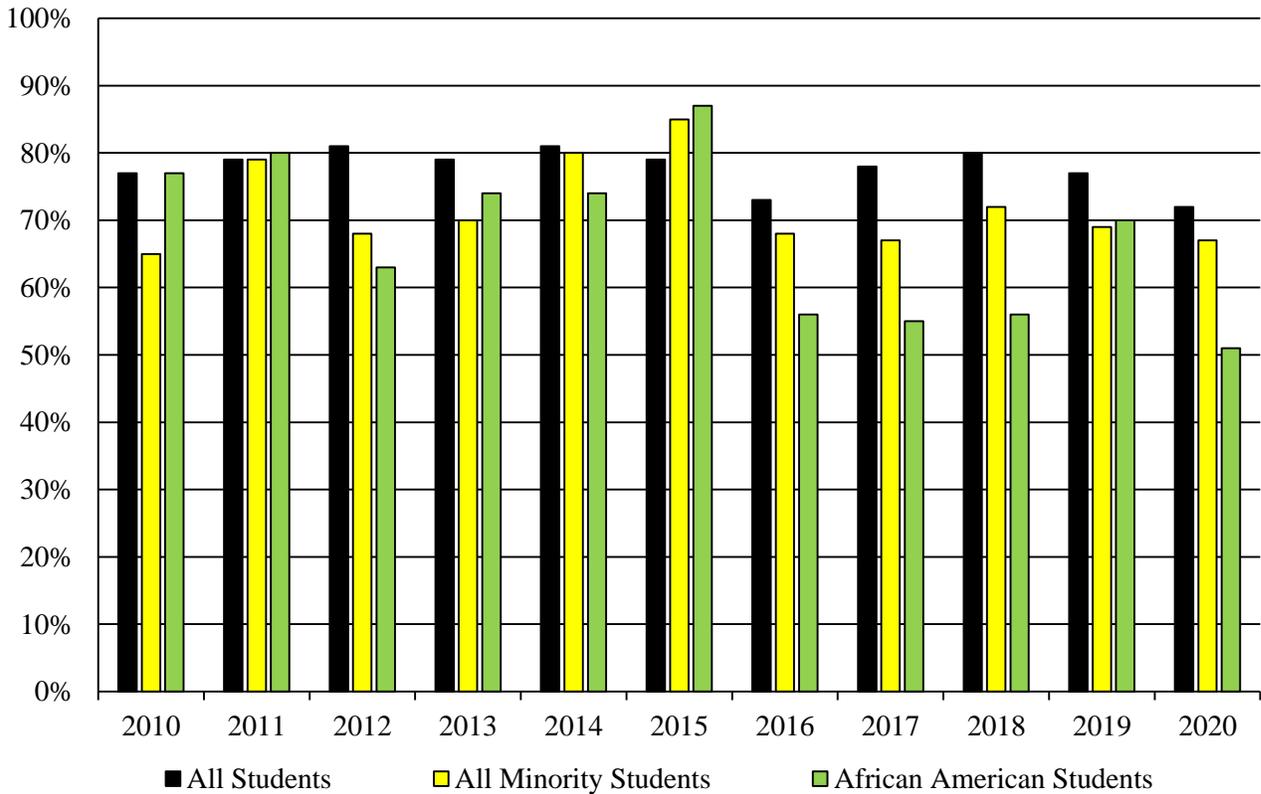


SMCM: St. Mary’s College of Maryland

Source: Integrated Postsecondary Education Data System

While the overall six-year graduation rate has shown SMCM to be proficient at ensuring its students attain their degrees, when the six-year graduation rate is distributed by race, areas for improvement can be identified. **Exhibit 6** shows the six-year graduation rate for all students, minority students, and African American students at SMCM. The rates for all minority students and African American students fluctuate year to year, which is attributable to the smaller sample of minority students. There were strong outcomes for minority students in 2011 and 2015. However, other cohorts show an achievement gap between all students and minority students at SMCM, particularly African American students. **The President should comment on the gap between African American six-year graduation rates and the rates for the entire student population at SMCM.**

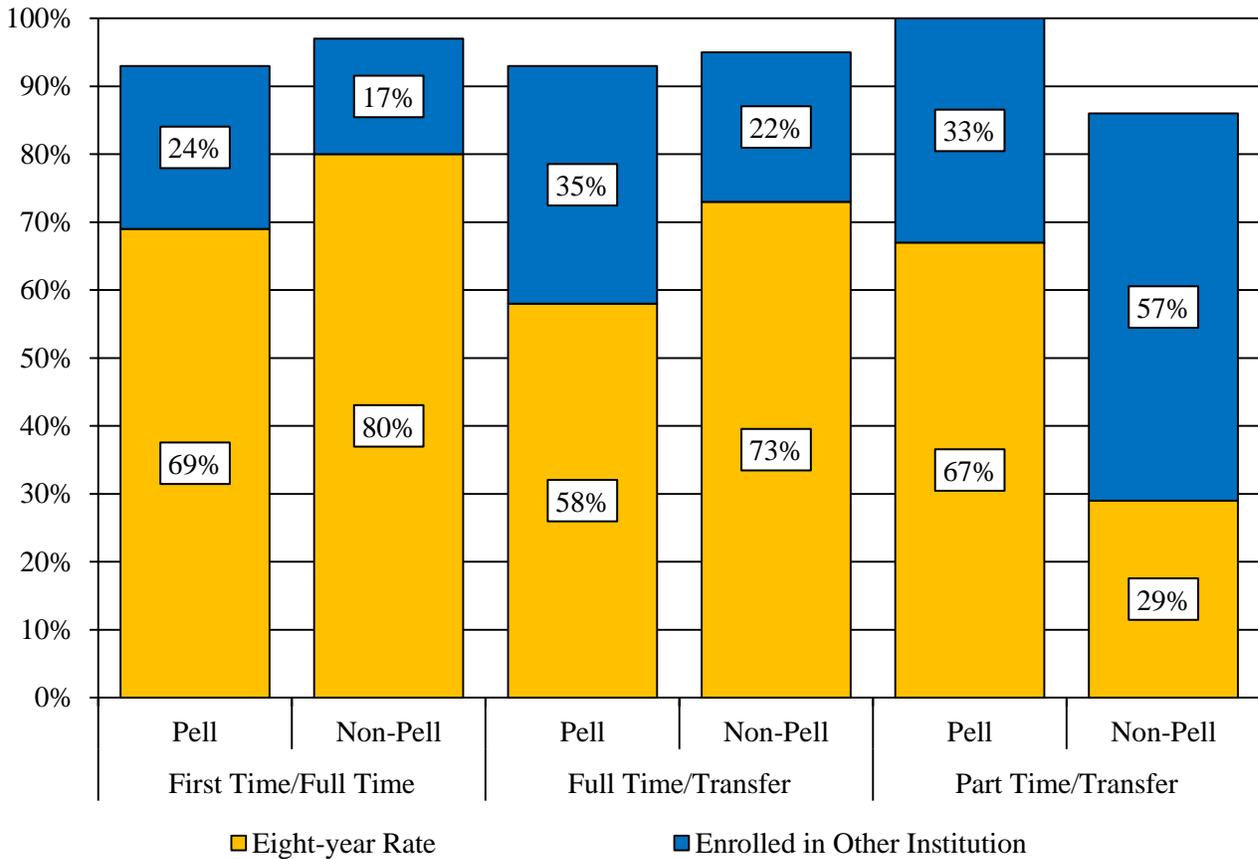
Exhibit 6
Six-year Graduation Rates by Race
Fall 2010-2020



Source: St. Mary’s College of Maryland

While much attention has been paid to the achievement gap between the races, increasing attention has turned to the graduation gap between low-income and other students. Nationally, according to the National Center for Education Statistics, the average six-year graduation rate of the 2011-2012 cohort of Pell students at four-year public institutions was 43.6% compared to 55.5% of all students. As shown in **Exhibit 7**, the eight-year graduation rate of non-Pell students of 80% exceeds that of Pell students by 11 percentage points. The gap widens by 4 percentage points when looking at full-time transfer students with 73% of non-Pell students. However, part-time transfer Pell students graduate at a higher rate compared to non-Pell students, at 67% to 29%, respectively; however, 57% of non-Pell students transfer to another institution.

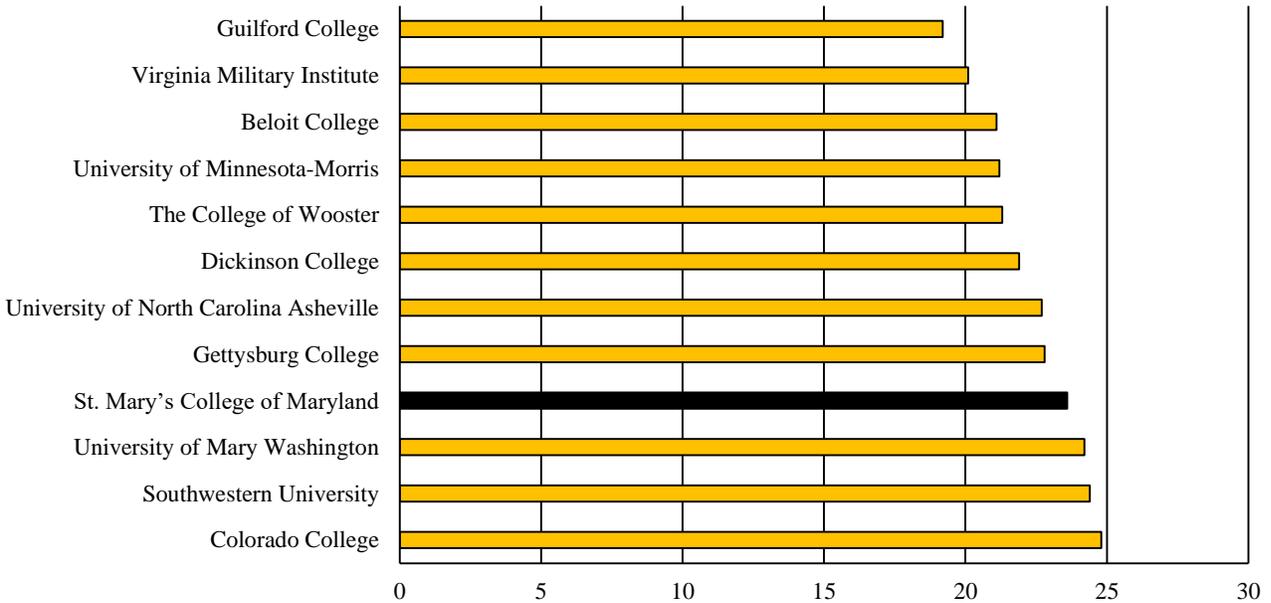
Exhibit 7
Eight-year Graduation Rate
Students Entering in Academic Year 2011-2012



Source: National Center for Education Statistics’ College Navigator

Exhibit 8 shows the three-year average of degrees awarded per 100 full-time equivalent students (FTES) at SMCM and its peer institutions. This measure shows how effectively institutions turn degree-seeking students into degree holders. Depending on the institution, the optimal number is 25.0 but would be higher for those who mainly offer upper-level division programs or have a relatively high number of transfer students. At 23.6 degrees per 100 FTES, the SMCM ratio is behind Colorado College, Southwestern University, and the University of Mary Washington in its peer group.

Exhibit 8
Three-year Average of Undergraduate Degrees
Per 100 Full-Time Equivalent Students
Fall 2017-2019



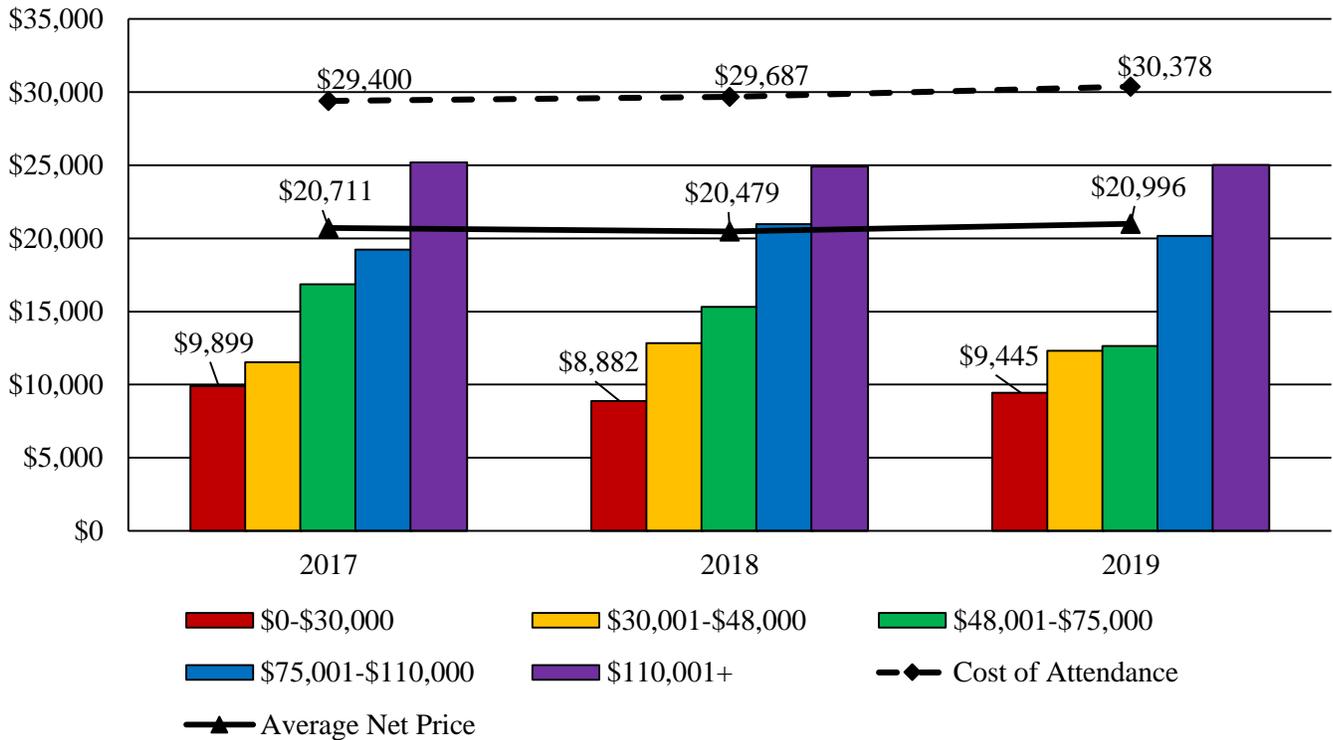
Source: Integrated Postsecondary Education Data System

3. Affordability and Access

Cost of Attendance

When considering the affordability of college, students and families tend to focus on the published cost of attendance (COA) or sticker price. COA is the total cost of attending college for one year including tuition and fees, room and board, books, supplies, and other expenses. However, the focus should be on the average net price, which is the cost to the student after accounting for the average amount of federal, State, and institutional aid awarded to all undergraduate SMCM students. As shown in **Exhibit 9**, on average between fiscal 2017 and 2019, the average net price was \$20,729, or 30.5% less than the published COA for a FT/FT student. The average cost to a student varies by income level. Those with a lower family income receive more financial aid, thereby lowering the average price for attending college. The average net price for a family with an income between \$0 and \$30,000 decreased by \$454, from \$9,899 in fiscal 2017 to \$9,445 in fiscal 2019. Conversely, the average net price for families with incomes between \$75,000 and \$110,000 increased from fiscal 2017 to 2019 by \$952.

Exhibit 9
Estimated Cost of Attendance versus Average Net Price
For Full-time, In-state Students by Income Level
Fiscal 2017-2019



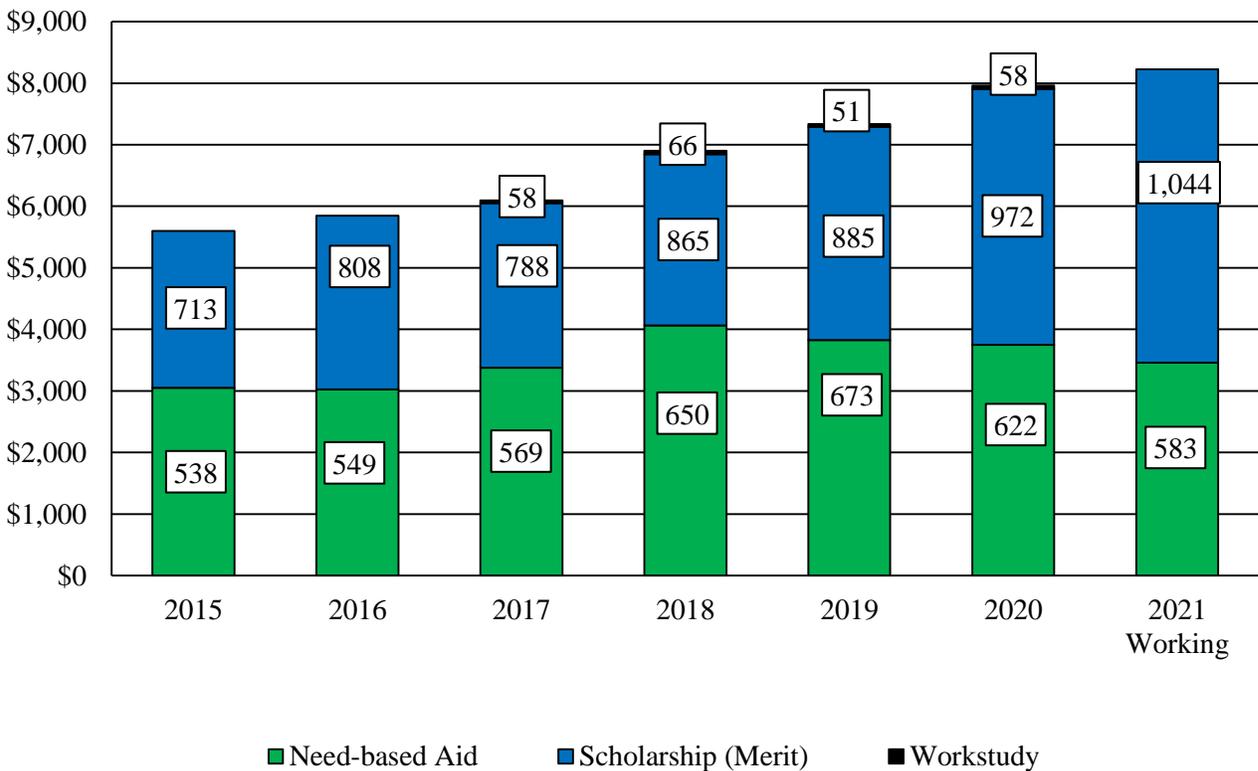
Source: National Center for Education Statistics’ College Navigator

Institutional Aid

Spending on institutional aid at SMCM has increased 45.0% from fiscal 2015 to the fiscal 2021 working budget, going from \$5.7 million to \$8.2 million, as shown in **Exhibit 10**. Expenditures on need-based aid reached its highest point in fiscal 2018, totaling \$4.1 million, representing 58.9% of total institutional aid in that year. However, this total declined to \$3.5 million in the 2021 working budget and represents only 42.1% of institutional aid expenditures. The number of students receiving need-based aid has also declined from the high mark in fiscal 2019 of 673, to 583 in the fiscal 2021 working budget. At the same time, the number of students receiving merit scholarships has continuously increased from the fiscal 2018 total of 865, to 1,044 in the fiscal 2021 working budget. SMCM indicated that their merit-aid strategy has not changed over the past several years despite the uptick in merit scholarship awards relative to need-based aid awards, as about 50% of awarded merit aid meets the student’s demonstrated financial need. In order to be responsive to the market, where many students and their families prefer to receive merit awards rather than need-based awards to

recognize their accomplishments, the College has intentionally packaged aid accordingly. While there appears to be a shift in aid packaging, a large portion of merit aid supports need-based aid according to SMCM. Additionally, the pandemic has impacted aid awarding for fiscal 2021. As the College has de-densified this year, the cost of attendance for students living off campus declined significantly as they are not participating in room and board programs. Reducing the student’s cost of attendance reduced their need-based aid needs, which also lowered the amount of need-based aid awarded by the institution, whereas the amount of merit aid awarded remained fixed.

Exhibit 10
Institutional Aid Expenditure and Number of Awards by Category
Fiscal 2015-2021 Working
(\$ in Thousands)



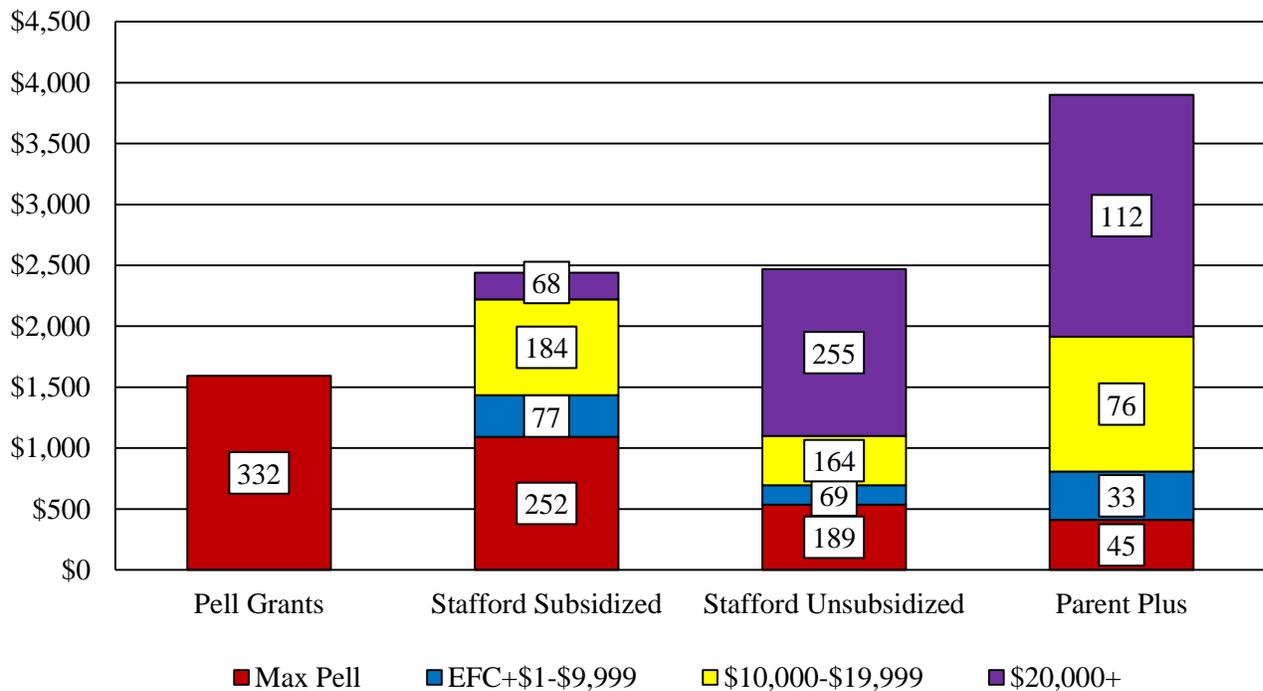
Source: Maryland Higher Education Commission; St. Mary’s College of Maryland

The President should comment on the increase in spending and number of awards for merit scholarship aid relative to need-based aid and if that best meets the needs of the student applicant pool. On average, from fiscal 2015 through the fiscal 2021 working budget, need-based aid accounted for 40.3% of the total expenditures on institutional aid, while merit scholarship aid accounted for 57.6%.

Loans

In fiscal 2019, 332 undergraduate students received a Pell grant, totaling \$1.6 million, as shown in **Exhibit 11**. These grants are given to those students who otherwise could not afford college. These students have an expected family contribution (EFC) of less than a specific amount, which was \$5,140 in fiscal 2019. EFC is an indicator of the amount that a family is expected to contribute for a students’ college education; the lower the EFC, the greater the financial need.

Exhibit 11
Federal Grants and Loans and Number by Expected Family Contribution
Fiscal 2019
(\$ in Thousands)



Source: Maryland Higher Education Commission

While students with the greatest financial need typically receive Pell and institutional aid, it is not enough to cover the cost of attending college. Students in all EFC categories take out other types of federal loans to finance their education, including \$2.4 million in subsidized loans that are based on financial need with the government paying the interest while the student is enrolled in school (Stafford subsidized loans) and \$6.4 million in unsubsidized loans that are general loans for those who do not demonstrate financial need with interest added to the balance of the loan while the student is enrolled in school (Stafford unsubsidized and Parent PLUS loans).

Student Debt

Recently, the U.S. Department of Education’s College Scorecard started reporting the median debt (excluding private and Parent PLUS loans) for 2017 and 2018 graduates by field of study. This is an effort to give students a better picture of outcomes at the program rather than the institutional level. The median debt of SMCM students ranged from \$13,000 for history majors to \$25,000 for computer and information sciences majors.

Fiscal Impact of COVID-19

Fiscal 2020

In March 2020, SMCM quickly pivoted to remote learning as COVID-19 spread across the State. SMCM closed its campus and sent students home, initially for a two-week period of remote/online instruction which was subsequently modified to encompass the remainder of the spring 2020 semester. Refunds were made to students for room and board. The closure resulted in loss of revenue in auxiliary enterprises, including the bookstore, dining services, conferences, and athletics. As shown in **Exhibit 12**, this resulted in a \$3.2 million loss in auxiliary revenues and \$0.5 million in tuition and fee revenues. Additional COVID-19-related expenses combined for a total loss of \$4.4 million.

Exhibit 12 COVID-19 Related Expenditure and Revenue Loss Fiscal 2020

Less Auxiliary Revenue	\$3,150,050
COVID-19-related Expenses	781,021
Less Tuition and Fee Revenues	465,228
Total Shortfall	4,396,299
PPP Funds	6,661,697
GEER Funds	781,021
CARES Act	586,878
Total Revenues	8,029,596
Total Surplus	3,633,297

CARES: Coronavirus Aid, Relief, and Economic Security

GEER: Governor’s Emergency Education Relief Fund

PPP: Paycheck Protection Program

Note: St. Mary’s College of Maryland received \$1.4 million in GEER funds and carried over just under \$700,000 into fiscal 2021. All but one week of PPP funding applied in fiscal 2020.

Source: St. Mary’s College of Maryland

In fiscal 2020, SMCM received a total of \$1.2 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding of which \$0.6 million was designated for emergency financial aid grants that was used to provide grants to 1,330 students. The remaining \$0.6 million was used to partially cover the revenues losses due to refunded room rent and meal plan changes after the college abruptly closed. SMCM also received \$1.4 million from the Governor’s Emergency Education Relief Fund for COVID-19-related expenses of which \$0.8 million was expended in fiscal 2020 with the remaining amount deferred to fiscal 2021 to cover items that were obligated as of June 30 but not yet expended.

SMCM also applied for Paycheck Protection Program (PPP) loan funds and received \$6.7 million in PPP loan funding, qualifying for funding as a small organization (fewer than 500 employees). These funds were used solely to pay salary and benefits of qualified employees over the spring and summer, to cover utility costs, and assist with interest of the debt payment. These funds were received from the Small Business Administration (SBA) and come with a repayment requirement. SMCM requested consideration for loan forgiveness in January, 2021, and does not anticipate receiving an update on that status for at least 90 days.

Fiscal 2021

In fall 2020 (fiscal 2021), SMCM reopened with a hybrid academic delivery of courses, meaning every course was offered simultaneously as face-to-face and remotely, and occupancy restrictions were placed in each type of housing unit. As shown in **Exhibit 13**, the college experienced a loss of \$1.7 million from freezing tuition and fees and less tuition and fee revenue from fewer students living on campus and participating in room and board programs, a reduction of \$1.9 million in auxiliary revenues, a \$2.1 million reduction from the July 2020 Board of Public Works action, and a \$0.1 million loss from other institutional revenues. Bringing back some faculty, staff, and students to adopt the hybrid learning model also resulted in additional an \$1.5 million in expenses that were not previously budgeted, including COVID-19 test kits; special cleaning supplies and cleaning services; personal protective equipment for faculty and staff; and equipment, software, and support for the hybrid learning model.

SMCM took various actions to cover the revenue loss, including the cancellation of wage increases, maintaining open vacancies, reduction of utility expenditures, and a reduction in contractual services, totaling \$2.9 million in savings. The college also plans to utilize Consolidated Appropriations Act funding, totaling \$1.1 million, and \$0.7 million in CARES funding, rolled over from fiscal 2020, to further address the fiscal 2021 deficit. SMCM also received two deficiency appropriations to address fiscal 2021 COVID-19-related expenditures totaling \$0.9 million – \$0.4 million in general funds for institutional COVID-19 response costs and \$0.5 million in reimbursable funds for public safety personnel costs.

Exhibit 13
Impact of COVID-19 on Fiscal 2021

Revenue Losses and Expenditures	
Board of Public Works Reduction	-\$2,054,502
Auxiliary Revenue	-1,883,000
COVID-19-related Expenses	-1,500,000
Tuition Fees Frozen	-1,000,000
Tuition and Fee Revenues	-700,000
Other Revenues	-121,000
Total Shortfall	-\$7,258,502
Expense Reductions and Relief Funding	
Reductions	\$2,861,502
CARES Act/CAA Funds	1,792,702
Deficiencies	880,500
Total Reductions	\$5,534,704
Total Remaining Fiscal 2021 Deficit	-\$1,723,798

CAA: Consolidated Appropriations Act funding.

CARES: Coronavirus Aid, Relief, and Economic Security

Note: CARES Act funds include remainder of fiscal 2020 and Higher Education Emergency Relief Funds.

Source: St. Mary’s College of Maryland

Despite these actions, SMCM will still have a fiscal 2021 deficit of \$1.7 million. SMCM indicated that to further address this deficit, the institution will delay the purchase of large ticket items; minimize faculty, staff, and student travel; and aggressively manage payroll, contingent employees, and overtime costs. All success is contingent on the college continuing to maintain their current residential status throughout the spring semester, in order to realize anticipated auxiliary revenues. **The President should comment on additional actions that will be taken to address the budget deficit.**

Fiscal 2021 Working Budget

Actions Affecting Fiscal 2021 Budget

There are three proposed deficiencies: \$0.4 million in general funds to reimburse SMCM for expenditures related to COVID-19; \$0.5 million in reimbursable funds to compensate SMCM for public safety personnel costs incurred during the first six months of the fiscal year; and \$1.0 million in special funds in bond premiums to fund qualified capital maintenance projects.

Education and General Expenditures

Since tuition and fee revenues in the allowance are based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution’s revenues. Therefore, looking at the changes in expenditures by program areas between fiscal 2020 and 2021, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 14 shows budget changes for unrestricted funds by program area for fiscal 2020 and 2021, which increase by \$2.2 million, or 3.4%, in fiscal 2021. The fiscal 2021 education and general expenditures and revenues are adjusted to reflect a general salary increase.

Exhibit 14
Budget Changes for Unrestricted Funds by Program
Fiscal 2020-2021
(\$ in Thousands)

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Working</u>	<u>2020-21</u> <u>\$ Change</u>	<u>2020-21</u> <u>% Change</u>
Expenditures				
Instruction	\$18,790	\$20,151	\$1,360	7.2%
Public Service	56	98	\$42	75.0%
Academic Support	1,958	2,253	\$295	15.1%
Student Services	7,990	7,878	-\$113	-1.4%
Institutional Support	13,950	12,185	-\$1,765	-12.7%
Operation and Maintenance of Plant	4,416	4,774	\$358	8.1%
Scholarships and Fellowships	7,281	7,351	\$69	1.0%
General Salary Increase		139		
Deficiency		881		
E&G Total	\$54,443	\$55,710	\$1,267	2.3%
Auxiliary Enterprises	\$9,351	\$11,131	\$1,780	19.0%
Total Expenditures	\$63,794	\$66,841	\$3,047	4.8%
Revenues				

RI4D00 – St. Mary’s College of Maryland

	2020	2021	2020-21	2020-21
	<u>Actual</u>	<u>Working</u>	<u>\$ Change</u>	<u>% Change</u>
Tuition and Fees	\$22,568	\$23,072	\$504	2.2%
State Funds ¹	27,158	27,336	178	0.7%
CARES Act – Direct State Support	1,445			
Other	1,257	830	-427	-33.9%
Total E&G Revenues	\$52,428	\$51,238	-\$1,190	-2.3%
Auxiliary Enterprises	\$12,974	\$16,043	\$3,069	23.7%
Transfer (to)/from Fund Balance	-1,608	-441	\$1,167	-72.6%
Available Unrestricted Revenues	\$63,794	\$66,841	\$3,047	4.8%

CARES: Coronavirus Aid, Relief, and Economic Security

E&G: education and general

¹State funds include general funds and Higher Education Investment Funds.

Note: Fiscal 2021 State funds adjusted to include a general salary increase. In fiscal 2021, SMCM will receive \$1.1 million in institutional funds from the Consolidated Appropriations Act and has until September, 2022, to expend the funds.

Source: Governor’s Fiscal 2022 Budget Books’ Department of Legislative Services

Fiscal 2022 Proposed Budget

As shown in **Exhibit 15**, the adjusted fiscal 2022 allowance for State funds is \$2.3 million, or 8.7%, greater than the adjusted fiscal 2021 working appropriation. The increase is related to their funding formula, which includes the fiscal 2021 general salary increase annualization.

Other current unrestricted funds increase 6.6%, or \$2.6 million. Tuition and fee revenue increases \$0.7 million partly due to a planned 3% increase in resident undergraduate tuition. Auxiliary revenue also increases, 8.2%, or \$1.3 million. **The President should comment on the expected increase in auxiliary revenue, indicating why such a large increase is expected.** Overall, unrestricted funds increase \$1.0 million, or 1.5%.

Exhibit 15
Proposed Budget
St. Mary’s College of Maryland
Fiscal 2020-2022
(\$ in Thousands)

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Adjusted</u>	<u>2022</u> <u>Adjusted</u>	<u>2021-2022</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$24,608	\$23,766	\$26,638	\$2,872	12.1%
General Salary Increase		139			
Deficiency		400			
Total General Funds	24,608	24,305	26,638	2,333	9.6%
HEIF	2,550	2,550	2,550		
Total State Funds	27,158	26,855	29,188	2,333	8.7%
Other Unrestricted Funds	\$36,799	\$39,946	\$42,568	\$2,623	6.6%
Deficiency		481			
CARES Act – Direct Federal Support	0	0	0		
CARES Act – State Support	1,445	0	0		
Transfer to Fund Balance	-1,608	-441	-3,016		
Net Unrestricted Funds	\$63,794	\$66,841	\$68,740	\$1,899	2.8%
Restricted Funds	\$3,562	\$5,300	\$4,500	-\$800	15.1%
Deficiency		1,000			
CARES Act – Direct Federal Support	1,174	0	0		
CARES Act – State Support	0	0	0		
Total Restricted Funds	\$4,736	\$6,300	\$4,500	-\$1,800	28.6%
Total Funds	\$68,529	\$73,141	\$73,240	\$99	0.1%
CAA – Institutional Funds ¹		\$1,129			
CAA – Financial Aid ¹		\$587			

CAA: Consolidated Appropriations Act

CARES: Coronavirus Aid, Relief, and Economic Security

HEIF: Higher Education Investment Fund

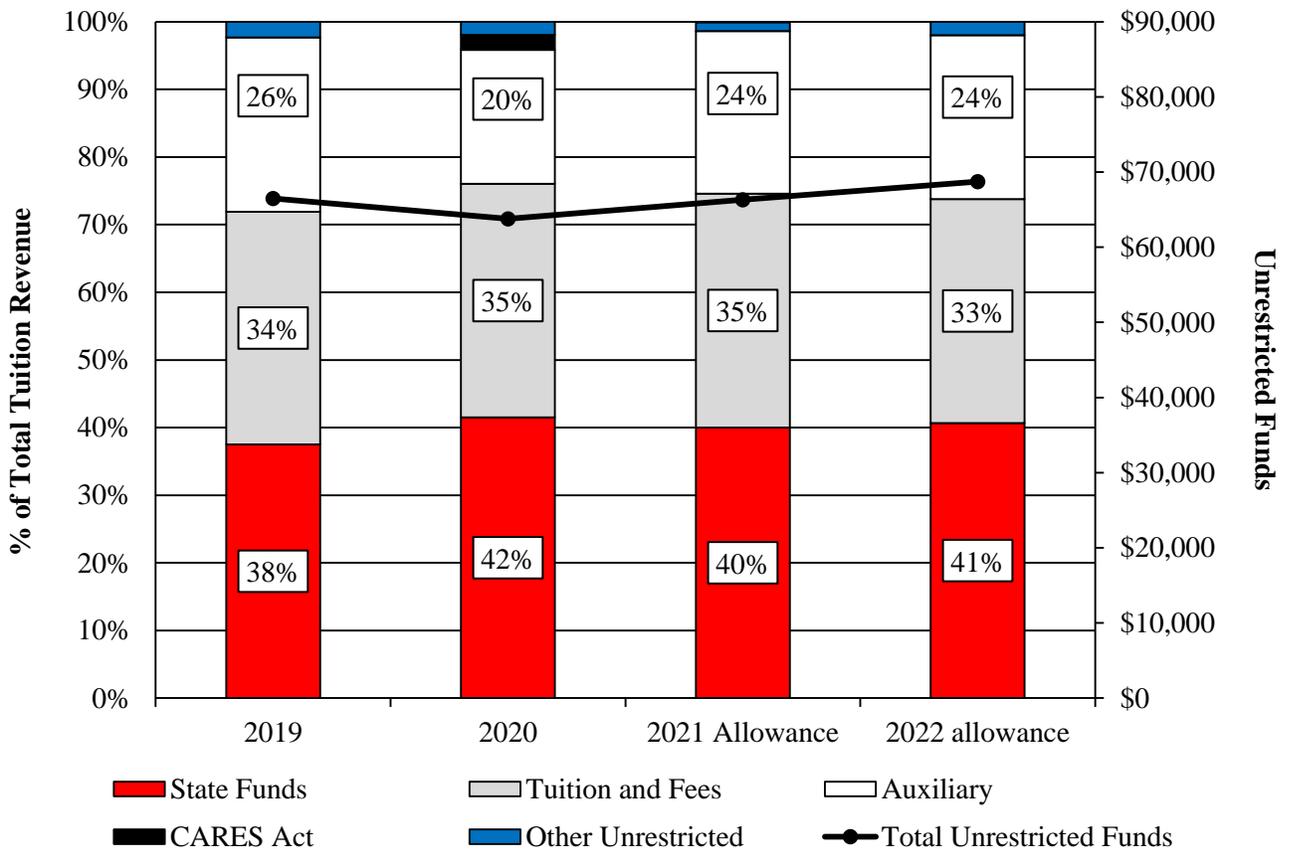
¹ CAA funding. Institutions have until September 30, 2022, to expend the funds; therefore, these funds may carry over to fiscal 2022.

Source: Governor’s Fiscal 2022 Budget Books; Department of Legislative Services

Revenue Sources

In the fiscal 2022 allowance, State funds (general funds and the Higher Education Investment Fund) and tuition and fee revenues comprise 41% and 33% of SMCM’s State-supported revenues, as shown in **Exhibit 16**, while current unrestricted funds total \$68.7 million. From fiscal 2019 to the fiscal 2022 allowance, State general funds have gone from 38% of total unrestricted revenues to 41%, increasing by \$3.4 million, or 14.4%. The SMCM funding formula has generally protected the institution despite declining enrollment. In fiscal 2020, revenues decreased \$3.5 million, or 5.0%, due to COVID-19-related losses. CARES Act funding totaled \$1.4 million, and had this funding not been provided, SMCM would have experienced a decrease of 7.1% in revenues, or \$4.9 million, compared to fiscal 2019. In fiscal 2022, total revenues increase by \$5.0 million, or 7.5%, as a result of the funding formula and additional student revenue.

Exhibit 16
Unrestricted Revenues by Fund Source
Fiscal 2019-2022
(\$ in Thousands)



CARES: Coronavirus Aid, Relief, and Economic Security

Source: Governor’s Fiscal 2019-2022 Budget Books; Department of Legislative Services

Personnel Data

	<u>FY 20 Actual</u>	<u>FY 21 Working</u>	<u>FY 22 Allowance</u>	<u>FY 21-22 Change</u>
Regular Positions	425.00	425.00	416.00	-9.00
Contractual FTEs	<u>27.30</u>	<u>28.14</u>	<u>30.04</u>	<u>1.90</u>
Total Personnel	452.30	453.14	446.04	-7.10

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions

	0.00	0.00%
Positions and Percentage Vacant as of 12/31/20	46.00	11%

Vacancies Above (Below) Turnover

- SMCM has independent hiring authority.
- There was no budgeted turnover in the fiscal 2020 budget.

Issues

1. Quick Transition to Remote Learning in Spring 2020 and Hybrid Learning for Fall 2020

In March 2020, SMCM had to quickly pivot to remote learning. Challenges SMCM encountered with this sudden transition included:

- distributing hundreds of internet-enabled computers to ensure students (and some faculty) who did not have access to reliable technology were able to have equitable access to their courses;
- transitioning the learning structure, over a one-week period (spring break), from 100% face-to-face to a 100% remote environment;
- ensuring that supplies for students in courses where coursework required it (*e.g.*, art supplies and science lab-based supplies) were provided to students;
- upgrading the institution's WiFi in residence halls and academic buildings to support instruction and learning; and
- providing training to faculty to teach hybrid courses.

In total, \$785,000 was spent in fiscal 2020 for WiFi upgrades and technology enhancements to ensure equitable access for all students to their scheduled courses.

Not only did SMCM have to transition its courses to an online capability, student services also needed to be provided remotely. SMCM identified many challenges with this process, as well as areas of increased demand, including:

- utilization of Zoom (and a Health Insurance Portability and Accountability Act (HIPAA) compliant version) to ensure student access to services;
- a variety of communication methods including email, phone, texting, FaceTime, Live Chat, Google Hangouts, and scheduling software including Calendly, as well as a Google site being created (*Student Support for Remote SMCM*) to ensure students could interact with the needed department;
- an increase in mental health concerns for students resulting in the Wellness Center counselors offering HIPAA-compliant Zoom sessions, a free 24/7 counseling helpline, and making all over-the-counter pharmacy supplies available to students for pickup at the Public Safety Office, 24/7, when the Wellness Center was not physically open;

RI4D00 – St. Mary's College of Maryland

- Student Government Association purchasing Engage[®], an online and application-based program to help publicize engagement opportunities and assist student organizations in a virtual environment;
- Career Development Center seeing an increase in appointments from recent graduates;
- many student seeking virtual academic support/coaching; and
- Wellness Center completing nurse triage appointments over the phone and medical appointments with providers being offered virtually.

Most offices reported few problems with students accessing classes, programs, and services. In order to address potential constraints, SMCM did the following:

- Faculty were encouraged to place reading resources on Blackboard to reduce expenses for students.
- Students with non-technology-related access issues were referred through the SMCM early alert system for assistance and support.
- Peer mentors (in CORE101, COREP101) were utilized to help students navigate the Google Classroom learning environment and to provide support as needed.
- SMCM's Center for Inclusive Teaching and Learning worked to assist faculty in the transition to virtual learning, providing tools, resources, and training to ensure faculty were able to teach students in the socially distanced classrooms, as well as remote-learning students.
- Technology Teaching Assistants were trained, a video created, and two weeks of mock hybrid classroom instruction were completed to ensure that there was readily available equipment and support for the new technology needs in the classroom.
- Online advisement tools, including videos, were created to teach new students how to prepare for their academic advising appointment. A virtual workshop was offered that taught new students the steps necessary to register for courses.

To ensure a healthy environment for students, faculty, and staff given the hybrid learning model adopted by the college for the fall semester, SMCM assembled and distributed 1,900 logo bags to all students, staff, and faculty. The bags included enough masks, gloves, and hand sanitizer to last the entire semester. A personal thermometer was also included in each bag. Face shields (350) were issued to all faculty members and any staff who requested one. An industrial-type sprayer that allows for efficient and large scale disinfection of areas was also secured. Over 1,000 MERV-13 enhanced air filters were installed in all HVAC systems. Housekeeping disinfection capabilities were also increased by approximately 45% through the use of third-party vendors to augment existing staff.

RI4D00 – St. Mary's College of Maryland

To assess the students' satisfaction with the steps taken by the college, SMCM sent a survey to 1,490 undergraduate students who were enrolled in fall 2020 courses. Of that total, 946 students, or 63%, provided at least partial data indicating that these students did not have significant problems accessing classes or college services.

The President should further comment on efforts to provide mental health services remotely. The President should also comment on how the shift to providing courses and services online provided new opportunities and what impact it will have on SMCM's future business model.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
2020 Joint Chairmen’s Report Responses from Agency

The 2020 *Joint Chairmen’s Report* (JCR) requested that the St. Mary’s College of Maryland (SMCM) prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Report on Instructional Faculty Workload:*** SMCM was asked to submit a report on annual workload for tenured and tenure-track faculty as well as full- and part-time non-tenured and non-tenure track faculty, including adjunct faculty, instructors, and lecturers. Full-time tenure track faculty taught an average of 21.7 credits during the 2019-2020 academic year. Full-time tenure track and non-tenure track faculty taught an average of 22.1 credits during the 2019-2020 academic year. Part-time faculty taught an average of 5.1 credits during the 2019-2020 academic year. A full teaching load for one academic year is 24 credits.
- ***Report on Mold Mitigation Plans:*** SMCM was asked to submit a report detailing the institution’s mold safety program, mold prevention and safety fact sheet, and a summary of mold mitigation efforts. SMCM has mechanisms in place that are based on best practices, as established by the U.S. Environmental Protection Agency (EPA) document *Mold Remediation in Schools and Commercial Buildings*. These procedures follow all EPA standards to identify, test, and mitigate the presence of mold. An Emergency Response Team (ERT) is responsible for providing general guidance and direction to the college community during a crisis and has specific protocols in place should a mold-related event occur. A detailed Mold Mitigation Communication plan has also been developed and can be immediately implemented should the ERT declare a mold crisis.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	August 24, 2015 – August 25, 2019
Issue Date:	July, 2020
Number of Findings:	6
Number of Repeat Findings:	1
% of Repeat Findings:	16.7%

Finding 1: Enterprise Resource Planning (ERP) System Contract. The college did not accurately report the costs of its ERP contract to the Board of Public Works and lacked documentation to support critical elements of and changes to the contract terms.

Finding 2: **Food Services Contract. The college did not ensure the propriety of labor charges billed by its food services vendor, which totaled \$2.1 million in fiscal 2019.**

Finding 3: Cash Receipts. Collections were not always safeguarded, deposited timely, or verified to subsequent deposit, and certain collection duties were not segregated as required.

Finding 4: Student Residency. Changes to student residency to in-state status recorded in the college’s automated records were not subject to independent review and approval and were not always supported.

Finding 5: Information System Security and Control. The college maintained a significant computer application, which contained sensitive personally identifiable information, without adequate safeguards.

Finding 6: Information System Security and Control. The college broadly granted non-information technology employees local administrative rights on their computer workstations, increasing malware security risk.

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

**Appendix 3
Object/Fund Difference Report
St. Mary's College of Maryland**

<u>Object/Fund</u>	<u>FY 20 Actual</u>	<u>FY 21 Working Appropriation</u>	<u>FY 22 Allowance</u>	<u>FY 21 - FY 22 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	425.00	425.00	416.00	-9.00	-2.1%
02 Contractual	27.30	28.14	30.04	1.90	6.8%
Total Positions	452.30	453.14	446.04	-7.10	-1.6%
Objects					
01 Salaries and Wages	\$ 36,170,435	\$ 37,285,760	\$ 37,503,163	\$ 217,403	0.6%
02 Technical and Spec. Fees	3,659,603	4,223,637	4,392,623	168,986	4.0%
03 Communication	421,642	344,897	378,543	33,646	9.8%
04 Travel	1,253,952	2,410,694	2,625,409	214,715	8.9%
06 Fuel and Utilities	2,956,526	3,382,188	3,179,747	-202,441	-6.0%
07 Motor Vehicles	125,305	179,131	159,274	-19,857	-11.1%
08 Contractual Services	10,058,864	9,024,584	10,643,934	1,619,350	17.9%
09 Supplies and Materials	1,993,581	1,821,970	2,006,919	184,949	10.2%
10 Equipment – Replacement	386,549	304,708	312,892	8,184	2.7%
11 Equipment – Additional	704,248	1,004,173	891,133	-113,040	-11.3%
12 Grants, Subsidies, and Contributions	10,375,361	10,626,862	10,485,005	-141,857	-1.3%
13 Fixed Charges	423,363	451,019	615,314	164,295	36.4%
14 Land and Structures	0	61,228	46,000	-15,228	-24.9%
Total Objects	\$ 68,529,429	\$ 71,120,851	\$ 73,239,956	\$ 2,119,105	3.0%
Funds					
40 Unrestricted Fund	\$ 63,793,870	\$ 65,820,851	\$ 68,739,956	\$ 2,919,105	4.4%
43 Restricted Fund	4,735,559	5,300,000	4,500,000	-800,000	-15.1%
Total Funds	\$ 68,529,429	\$ 71,120,851	\$ 73,239,956	\$ 2,119,105	3.0%

Note: The fiscal 2021 appropriation does not include deficiencies, targeted reversions, general salary increases, or across-the-board reductions. The fiscal 2022 allowance does not include contingent reductions or annualization of general salary increases.

**Appendix 4
Fiscal Summary
St. Mary's College of Maryland**

<u>Program/Unit</u>	<u>FY 20 Actual</u>	<u>FY 21 Wrk Approp</u>	<u>FY 22 Allowance</u>	<u>Change</u>	<u>FY 21 - FY 22 % Change</u>
01 Instruction	\$ 19,435,589	\$ 20,933,802	\$ 21,247,576	\$ 313,774	1.5%
02 Research	359,356	453,098	396,373	-56,725	-12.5%
03 Public Service	67,078	111,776	115,935	4,159	3.7%
04 Academic Support	2,087,837	2,399,960	2,222,844	-177,116	-7.4%
05 Student Services	8,201,823	8,433,423	8,624,915	191,492	2.3%
06 Institutional Support	14,288,663	12,554,153	14,696,229	2,142,076	17.1%
07 Operation And Maintenance Of Plant	4,415,941	4,780,519	5,006,519	226,000	4.7%
08 Auxiliary Enterprises	9,352,294	11,135,167	10,640,759	-494,408	-4.4%
17 Scholarships And Fellowships	10,320,848	10,318,953	10,288,806	-30,147	-0.3%
Total Expenditures	\$ 68,529,429	\$ 71,120,851	\$ 73,239,956	\$ 2,119,105	3.0%
Unrestricted Fund	\$ 63,793,870	\$ 65,820,851	\$ 68,739,956	\$ 2,919,105	4.4%
Restricted Fund	4,735,559	5,300,000	4,500,000	-800,000	-15.1%
Total Appropriations	\$ 68,529,429	\$ 71,120,851	\$ 73,239,956	\$ 2,119,105	3.0%

Note: The fiscal 2021 appropriation does not include deficiencies, targeted reversions, general salary increases, or across-the-board reductions. The fiscal 2022 allowance does not include contingent reductions or annualization of general salary increases.