

STMARY'S

COLLEGE *of* MARYLAND

RD14D00
Fiscal Year 2026 Operating Budget Testimony

Senate Budget and Taxation Committee
Education, Business, and Administration Subcommittee
Senator Nancy J. King, Chair
February 20 2025

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House Appropriations Committee
Education and Economic Development Subcommittee
Delegate Stephanie Smith, Chair
February 28 2025



Dr. Tuajuanda C. Jordan, President

Ms. Paula Collins, Trustee
Mr. Brandon Engle, Director of Government Affairs

Introduction – The Public Honors College

As the State's designated public honors college, St. Mary's College of Maryland provides a premier liberal arts education that is both affordable and accessible. The College awards a variety of undergraduate degrees, as well as a Master of Arts in Teaching graduate degree. With a faculty of gifted teachers and distinguished scholars, a talented and diverse student body, and a low student:faculty ratio, St. Mary's College provides a challenging curriculum within an academically nurturing environment. In addition, the College fosters a sense of social responsibility and community among its students through its curriculum and campus initiatives.

The Nation's 1st Public Honors College

Supporting the two goals articulated by the State's historical vision for the College – the educational requirements of an honors program and the promise of access – sets St. Mary's College uniquely apart in the State and in the national higher education sector. The College has been highly successful in supporting State-wide goals with among the highest retention and completion rates among Maryland public institutions, a commitment to diversity in all its manifestations, and in providing financial resources for students with need.

As a public college that is both accessible and affordable, St. Mary's College provides the opportunity for academically talented students from a broad socioeconomic, neurodiverse, physical ability, ethnic, and racial spectrum to acquire a rigorous liberal arts education. This diversity creates a rich academic and social environment that enhances the education provided by the College. St. Mary's College students graduate with low debt and are well prepared to be productive and engaged citizens of the world.

The College continues to evolve as an innovator within the national higher education sector. Our core curriculum, Learning through Experiential and Applied Discovery (LEAD), provides *every student* with theme-based integrated learning experiences, practical skills, internships, research and/or international experiences, capstone projects, and other faculty-directed activities that integrate career preparation with an honors curriculum within the contextual foundation of a liberal arts education. Our national standing and successes make us the leader among public liberal arts institutions. St. Mary's College has become **The National Public Honors College**.

LEAD

As always, the College is grateful to the Governor, the Legislature, and the Maryland

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Higher Education Commission for their ongoing commitment to higher education in general, and to St. Mary's College of Maryland specifically.

Enrollment

In the past five years, enrollment at the College has increased notably. As shown in Exhibit 1, **overall enrollment has increased 13% from Fall 2020 to Fall 2024.**

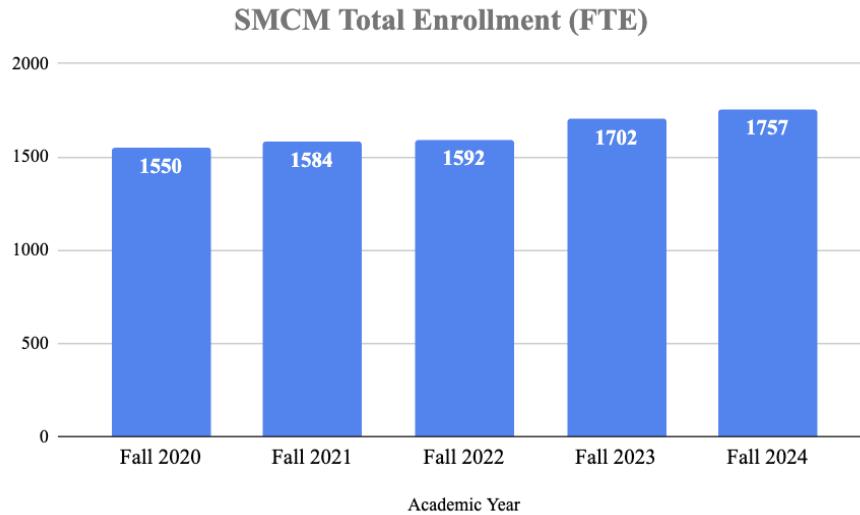


Exhibit 1

Enrollment increases are primarily the result of recruiting strong incoming classes of both first-year and transfer students, as well as strong retention rates. As shown in Exhibit 2, the number of **new first-year and transfer students increased more than 11%** from Fall 2020 to Fall 2023. The entering class of 2024 was slightly smaller than the entering class of 2023 as a result of the extensively flawed rollout of the simplified FAFSA; however early data for the Fall 2025 admission cycle suggests that the positive rate of enrollment growth has rebounded.

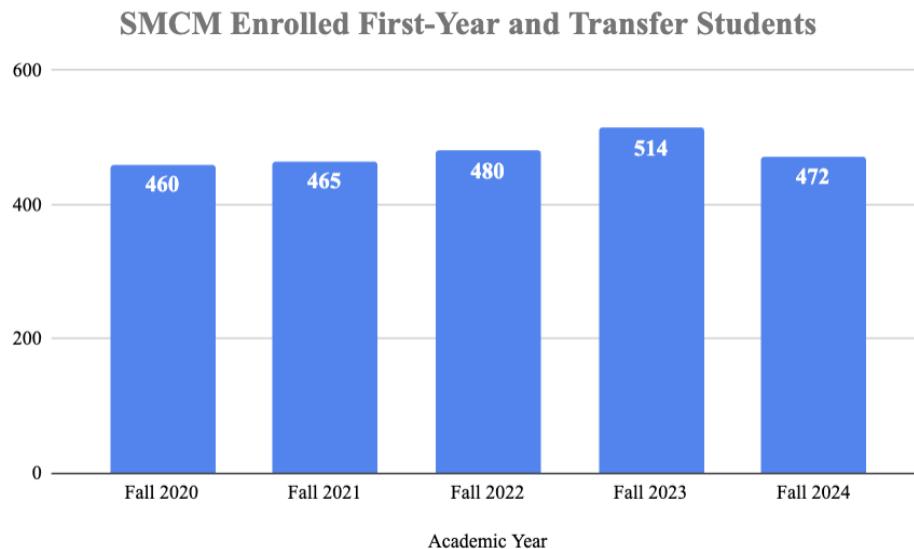


Exhibit 2

The increase in new students is the result of the College's varied efforts to enhance its position within the higher education landscape. These include:

- implementation of the *LEAD* curriculum, which integrates the proven long-term benefits of a traditional liberal arts education with the applied professional skills demanded in today's economy, and enhanced engagement with high-impact practices (HIPs)
- implementation of new majors (e.g., Marine Science and Business Administration – the College's second and third most popular majors in just three years), as well as integrating new curricula such as embedding Data Science in multiple majors, and
- enhanced nation-wide efforts to market the College as *The National Public Honors College*.

Together, these initiatives have made St. Mary's College increasingly relevant and more competitive compared to our peer institutions. As shown in Exhibit 3, over the past five years **applications to the College have increased by 22%**. Applications have more than doubled since the College's baseline year of 2019 (1621 to 3401).

SMCM First-Year and Transfer Applications

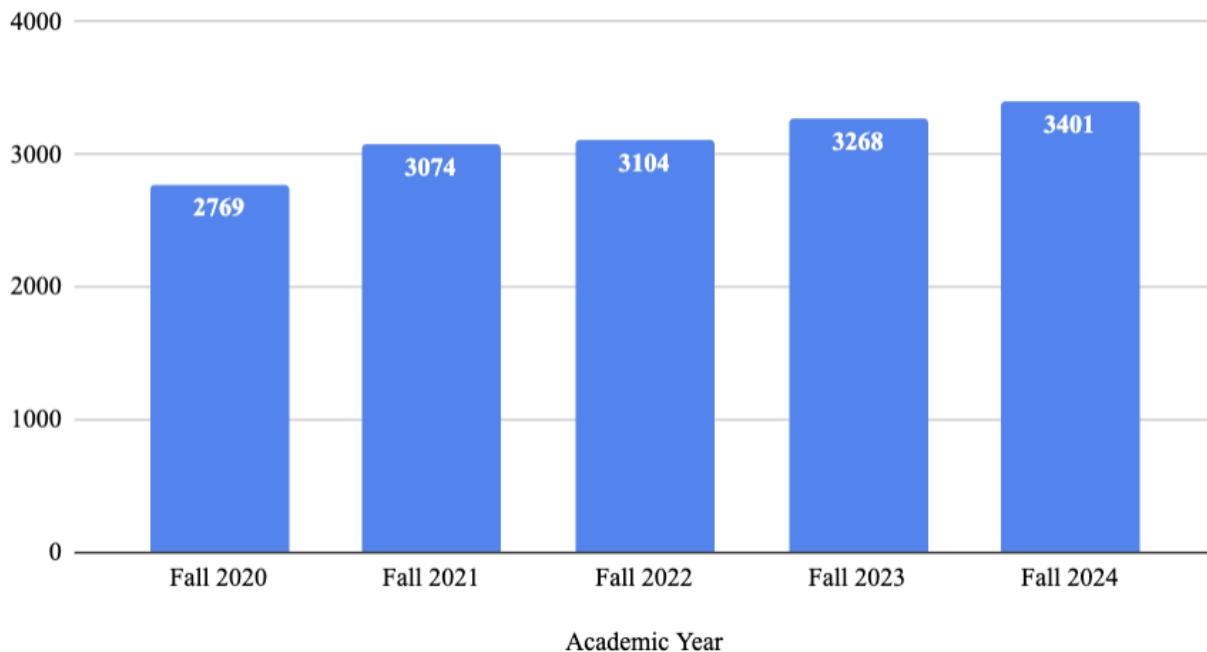


Exhibit 3

Affordability

St. Mary's College of Maryland's unique mission, to provide an honors-level liberal arts education that is both accessible and affordable to all Marylanders, is challenging since a liberal arts education is both the best and most expensive form of undergraduate education. Through a combination of institutional efforts to control expenses, coupled with State support, tuition pricing was lowered in FY15 and has since been successfully moderated, making St. Mary's College more affordable for Maryland families. As shown in Exhibit 4, in-state tuition for the 2024-2025 academic year (\$12,116) **was frozen for the sixth consecutive year** without State tuition relief funding, and **tuition remains less than it was for the 2013-2014 academic year**.

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SMCM Tuition – Maryland Resident

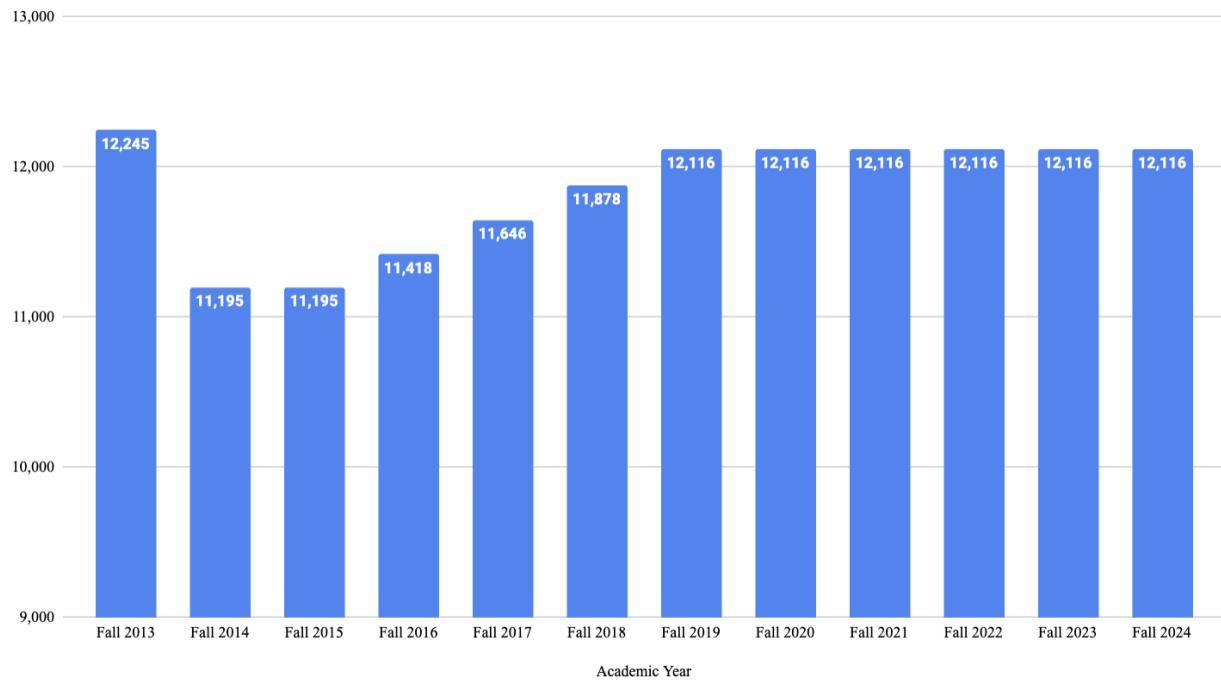


Exhibit 4

DLS Analysis & Responses

The President should detail why the yield rates have declined since fall 2019 and the acceptance rate decreased substantially in fall 2024.

The drop in yield and acceptance rates since 2019 is reflective of several factors impacting St. Mary's College of Maryland generally and the entering class of 2024 specifically. First, as noted above, the number of applications to St. Mary's College has grown by 22% in the past five years, and has doubled since our baseline year of 2019. This growth is the result of SMCM's intentional marketing and outreach efforts to increase student awareness and interest in The National Public Honors College, as well as a national trend of students submitting applications to more institutions each year due to the ease of applying through platforms like the Common Application. Steady growth in out-of-state applications has also contributed to the decline in yield rates as the College prioritizes the admission and enrollment of in-state students. The combination of these two factors means that even though SMCM has admitted significantly more students on an absolute basis each year, the yield percentage has slowly decreased.

The decline in yield and acceptance rates was exacerbated by unique disruptions in the 2023-2024 admission cycle related to the extensively flawed rollout of the simplified FAFSA during the Regular Decision (RD) process. These abnormalities, in our view, led many students who would have otherwise applied to, and been accepted by, the College to forgo their applications entirely. The sudden drop in RD application completion rates supports this suspicion, and analysis by the College's Division of Enrollment Management suggests that, had the College received the anticipated number of Regular Decision applications, the acceptance rate would have been between 72-73% for the entering class of 2024. It is worth noting that these disruptions appear to have subsided during the 2025 admission cycle. Current projections indicate that the number of applicants to the College will continue to increase this year and that the admission rate will return to approximately 72%.

The President should comment on efforts to improve four-year graduation rates.

As the state's designated public honors college, St. Mary's College of Maryland proudly maintains some of the highest retention and completion rates among its peer institutions. True to form, although the data included within this backward-looking analysis accurately reflects the specter of COVID-19 and its impact on students, the College's real-time metrics have significantly recovered to pre-pandemic levels. Specifically, in the 2023-2024 academic year, first- to second-year retention for all students increased 5% (to 86%) with the largest recovery (11%) seen in our cohort of Hispanic/Latino(a) students. The College's four-year graduation rate also recovered last year to pre-pandemic levels of approximately 60%.

The College remains cognizant that its statutory mission, to balance excellence and access, requires constant innovation and improvement. To that point, the College's most recent

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strategic plan – “The Rising Tide” – is intently focused on fostering an academic environment that empowers *all* students for success. One of SMCM’s more successful recent initiatives has been the development and implementation of remote “Winterim” courses between the Fall and Spring semesters, which students can use to either catch up or get ahead on credit requirements for majors and minors. Since its permanent inclusion in the College’s academic calendar, Winterim courses have steadily reduced the percentage of students who have fallen “off track” for a four-year graduation timeline. The College has also launched the Seahawk Success Network (SSN) initiative, an effort grounded in fostering student persistence and academic excellence. SSN provides each student with both a designated academic and a co-curricular advisor, as well as an assigned counselor within both the Office of Student Success Services and the Office of Student Financial Aid. These four advisors serve as a clear point-of-contact for institutional resources, and their direct relationship with students establishes a sense of “investment” from the College in each student’s education – fostering a supportive community which will continue to enhance retention and completion rates.

The President should comment on the cause of the discrepancies and how the College will ensure accurate fiscal reporting in the future.

The discrepancies identified in the analysis are the result of classification errors – not legitimate shifts in College spending – and the bulk of these errors come from the attribution of individual salaries to incorrect programmatic categories. In other words, salaries that should have been attributed to Instruction, Research, or Public Service were instead attributed to Student Services, Institutional Support, and Plant Maintenance. Once these classification errors were identified by the College, staff in the Business & Finance Division worked closely with the College’s DBM analyst and relevant supervisors to determine the corrected figures, which have been provided to DBM and DLS. These errors are partly attributable to turnover in the College’s Business & Finance Division during the covered period, as well as the implementation of a new Enterprise Resource Planning (ERP) system. As the new ERP system has been brought fully online and staffing in the Division has been bolstered by new and experienced staffing, the classification and reconciliation process for College expenses will not be a problem going forward.

The President should comment on what has led to the self-reported decrease in positions and why a turnover expectancy is not accounted for given the high level of vacancies.

SMCM currently employs 449 individuals in regular positions. At the end of calendar year 2024 407 of these positions were filled, resulting in a vacancy rate of 9%. The discrepancy between these figures stems from the dissimilar purpose of personnel data when comparing vacancies to authorized positions. The figure reported for regular positions by DBM includes both state-supported and non-state supported roles, unfunded positions, recently established positions, and positions that are currently vacant due to the temporary appointment of interim officials. Vacancy data reported to DLS, on the other hand, only provides a snapshot in time

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of the number of individuals currently employed by the College. Combining the 407 individuals on the College's payroll with the 49 vacant positions reported to DLS as of 12/31/2024, the discrepancy between the two sources is 7 positions. The two metrics may diverge slightly over the course of a fiscal year as positions are established, individuals are hired, or employees leave SMCM, but are reconciled against actual figures in retrospect. With regard to the lack of turnover expectancy, this figure is calculated by DLS based on figures provided by DBM and SMCM's historical figures trend between 0 and 2.5%. The current turnover expectancy of 0% is thus not unusual for SMCM.

The President should comment on what actions have been taken to address the findings of the December 2024 audit report. The President should also specifically comment on what actions have been taken regarding the audit's repeat findings and repeat recommendations.

The College has expeditiously implemented corrective actions to bring operations into compliance or make substantive progress toward compliance with state law, regulation, and College policy since the December 2024 audit report was finalized; many of the corrective actions required personnel actions. These include the appointment of a highly experienced interim Vice President for Business & Finance and Chief Financial Officer, as well as a new Associate Vice President of Finance and a new Procurement Officer. The College has also added positions for an assistant comptroller and additional accounting staff. SMCM plans to hire a new comptroller in Spring 2025. Written agreements with outside entities identified in the audit have been amended to include ceiling prices – which a contractor exceeds at their own risk – and to clarify the process for documenting and justifying the use of time and material contracts. With respect to student residency changes, SMCM has updated its procedures to verify output reports posted to student accounts with supporting documentation, and the Enrollment Management Division has established a residency committee to review error reports and identify inconsistencies between student addresses and residency status. Finally, with respect to repeat cash deposit findings, the College has designed and implemented policy to ensure that independent verification of recorded collections are performed and documented when deposits are made; collaborated with the State Treasurer's office to ensure more frequent deposits via armored truck; removed the ability of employees with access to collections to adjust accounts receivable records; and required review of all non-cash credit submissions by two independent staff members not associated with student accounts. These actions, and additional corrective actions related to redacted findings, will be completed by the end of FY25.