

ST MARY'S COLLEGE *of* MARYLAND

RD14D00

Fiscal Year 2027 Operating Budget Testimony

**Senate Budget and Taxation Committee
Education, Business, and Administration Subcommittee
Senator Nancy J. King, Chair
March 2 2026**

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**House Appropriations Committee
Education and Economic Development Subcommittee
Delegate Stephanie Smith, Chair
February 26 2026**



**Dr. Rhonda Phillips, President
Mr. Aaron Tomarchio, 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 Standalone
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 spectrum of socioeconomic backgrounds 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 levels of debt and are well prepared to serve as 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 (or, LEAD), provides *every* student with the opportunity to engage in thematic and integrated learning experiences, practical skills, internships, research, international education, capstone projects, and other faculty-directed activities that integrate career preparation with an honors-level 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 Maryland General Assembly, and the Maryland Higher Education Commission for their ongoing commitment to higher education in general, and to St. Mary's College of Maryland specifically.

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Enrollment

In the past five years, enrollment at the College has increased notably. As shown in Exhibit 1, **overall enrollment has increased by more than 9% from Fall 2021 to Fall 2025.**

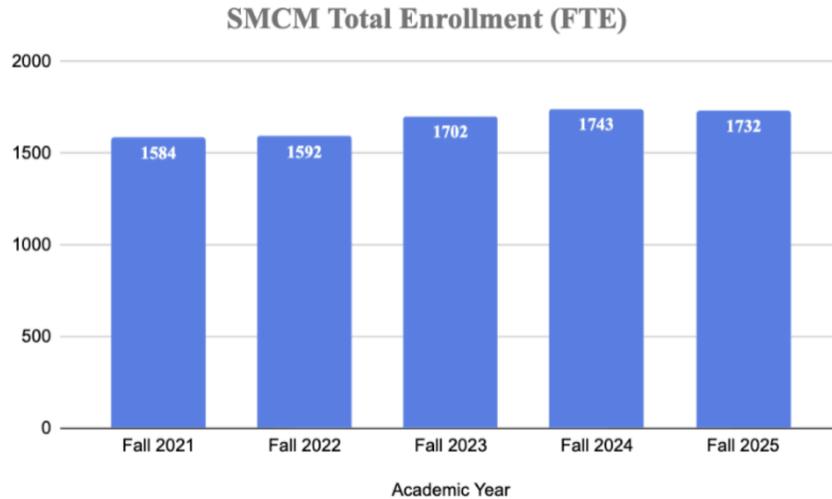


Exhibit 1

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 almost 5% from Fall 2021 to Fall 2025.** The entering class of 2025 was slightly larger than the entering class of 2024, demonstrating continued positive enrollment momentum despite significant disruptions during the past two admission cycles.

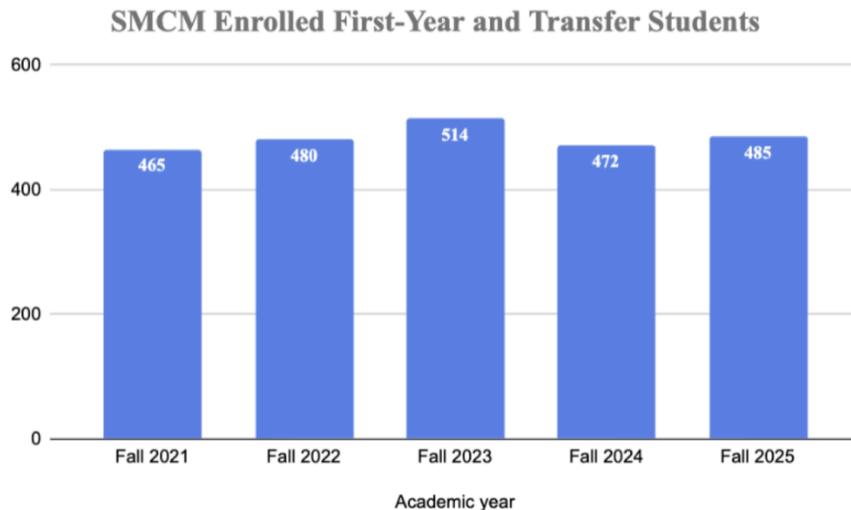


Exhibit 2

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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, as well as enhanced engagement with high-impact practices (HIPs),
- Implementation of new majors (e.g., Marine Science and Business Administration – currently the College's second and third most popular majors) and the integration of new curricula (such as embedding Data Science within multiple disciplines), 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 almost 14%**, and have *more than doubled since our baseline of Fall 2019*.

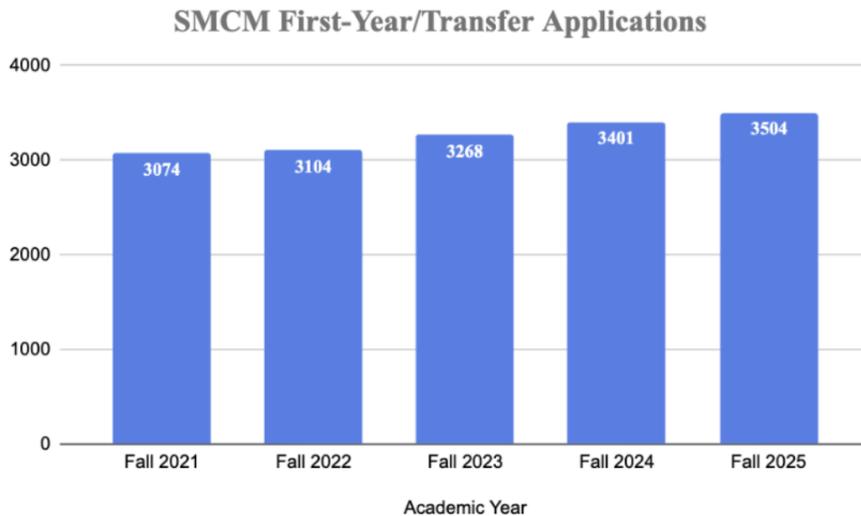


Exhibit 3

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 most intensive and most expensive form of undergraduate education. Through a combination of institutional efforts to control expenses, coupled with State support, tuition rates were lowered by approximately 9% in FY15 and growth has since

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been successfully moderated, making St. Mary's College more affordable for Maryland families. As shown in Exhibit 4, the tuition rate for Maryland residents was frozen for six consecutive years between Fall 2019 and Fall 2024 without supplemental State tuition relief funding.

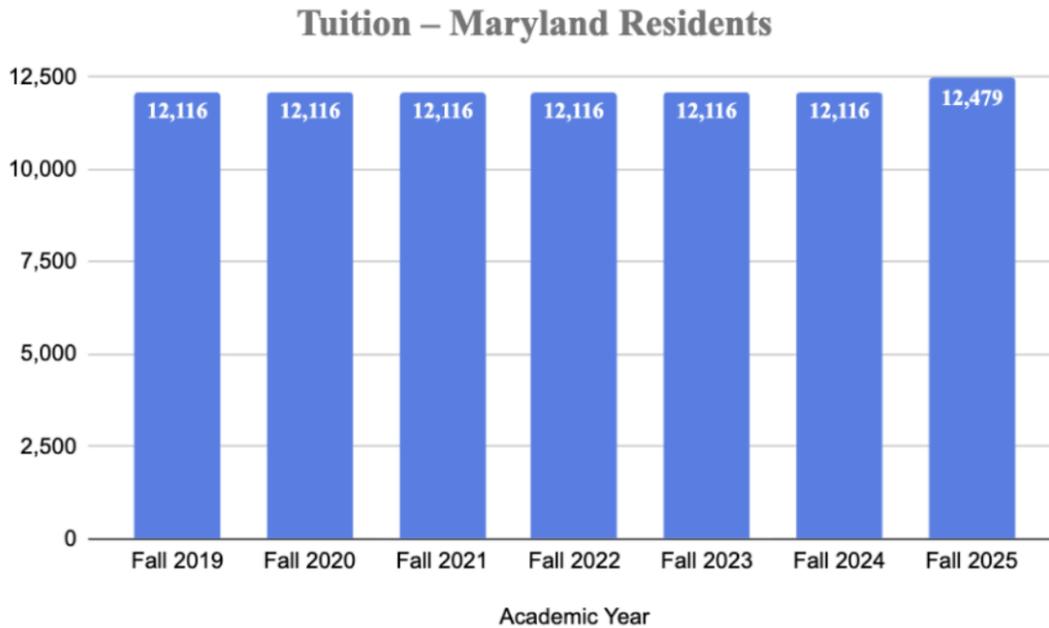


Exhibit 4

DLS Analysis and Responses

The President should comment on how SMCM is working to increase the share of accepted students who enroll.

The decline in yield rates in recent years is reflective of several factors impacting higher education generally, as well as St. Mary's College of Maryland specifically. First, as noted above, the number of applications to SMCM has grown by 14% in the past five years, and has more than doubled since our baseline year of 2019. This growth is the result of the College's intentional marketing and outreach efforts to increase student awareness of, and interest in, St. Mary's College of Maryland. It is also part of a national trend whereby students submit applications to more institutions each year due to the ease of applying through platforms like the Common Application. As the College seeks to increase enrollment, admission has been offered to all students who are best prepared to contribute to the SMCM community rather than applying any limitation to those who have a greater likelihood of enrolling. This has been a primary reason for the decline in yield rates. Steady growth in out-of-state admissions has also contributed to the decline in yield rates due to the yield of out of state students being typically about 8% lower than that of instate students.

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In response to these factors, St. Mary's College of Maryland has employed an expanded, comprehensive yield strategy focused on strategic partnerships, financial incentives, personalized outreach, and community building. For example, SMCM has recently engaged private partners to establish and maintain an "always on" digital presence, ensuring consistent engagement with prospective students and their families. The College has also worked to further refine its merit scholarship and financial aid structures – prioritizing financial assistance offers to students who are best prepared to contribute to, and benefit from, SMCM's honors-level. Finally, the College has expanded its on- and off-campus yield event offerings to maximize the potential for accepted students to develop a personal connection with SMCM.

The President should discuss how SMCM is working to improve 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. Moreover, 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 strategic plan focused intently on fostering an academic and co-curricular environment that empowers *all* students for success. One of SMCM's more impactful initiatives has been the development and implementation of remote "Winterim" courses between the traditional Fall and Spring semester, which students can leverage to either catch up on, or get ahead of, credit requirements. 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 timely completion of their degree. Moreover, beginning with the Fall 2024 cohort, each student at SMCM is assigned four designated on-campus advisors prior to their first-year or transfer orientation through the Seahawk Success Network initiative. These advisors include faculty, co-curricular and financial aid counselors, as well as academic support services which are able to identify and address challenges before they become obstacles. This network is complemented by the Office of Student Success Services, which centralizes academic coaching, tutoring, and the College's "early alert" system to support students who are at risk of falling off-track of their four-year graduation timeline. Finally, flagship campus programs – such as the DeSousa-Brent Scholars, Landers Scholars, Monument Scholars, and *Sum primus* – have strengthened the College's ability to provide targeted and enhanced academic, co-curricular, and professional development opportunities for students. These programs are particularly impactful for first-generation and/or Pell-eligible students, which make up 28% and 29%, respectively, of the College's entering class of 2025.

The President should discuss efforts by SMCM to better align E&G expenditures with revenues to reduce reliance on auxiliary revenue to resolve shortfalls.

At first glance, the comparison of SMCM's E&G revenues and expenditures suggests an operating imbalance. However, it is important to note that the divergence between these two figures is methodological as opposed to structural. Specifically, the current E&G framework captures a broad range of expenditures associated with instruction, financial aid, and

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institutional support, but it does not reflect several significant revenue streams which support those activities. For example, the College's full financial aid budget is recorded as an E&G expenditure. A substantial portion of this budget, however, is funded through a combination of private philanthropy, endowed scholarships, and annual gifts from donors; since those revenues are considered "restricted funds," they are not counted toward the College's E&G revenues. This leads to the appearance of a gap, even though the College's commitments are responsibly and sustainably funded. A similar methodological discrepancy exists in the College's instruction and academic support line items, as well as institutional support, which have benefited from competitive contract and grant awards, as well as the strategic use of bond proceeds to expand academic programming in high-demand fields. When all of the supporting revenue sources associated with execution of the College's mission are accounted for, the College's financial position remains sound. To that end, we welcome the opportunity for continued collaboration between the College and legislative analysts to ensure that the E&G methodology provides a clear, consistent, and accurate representation of institutional finances.