

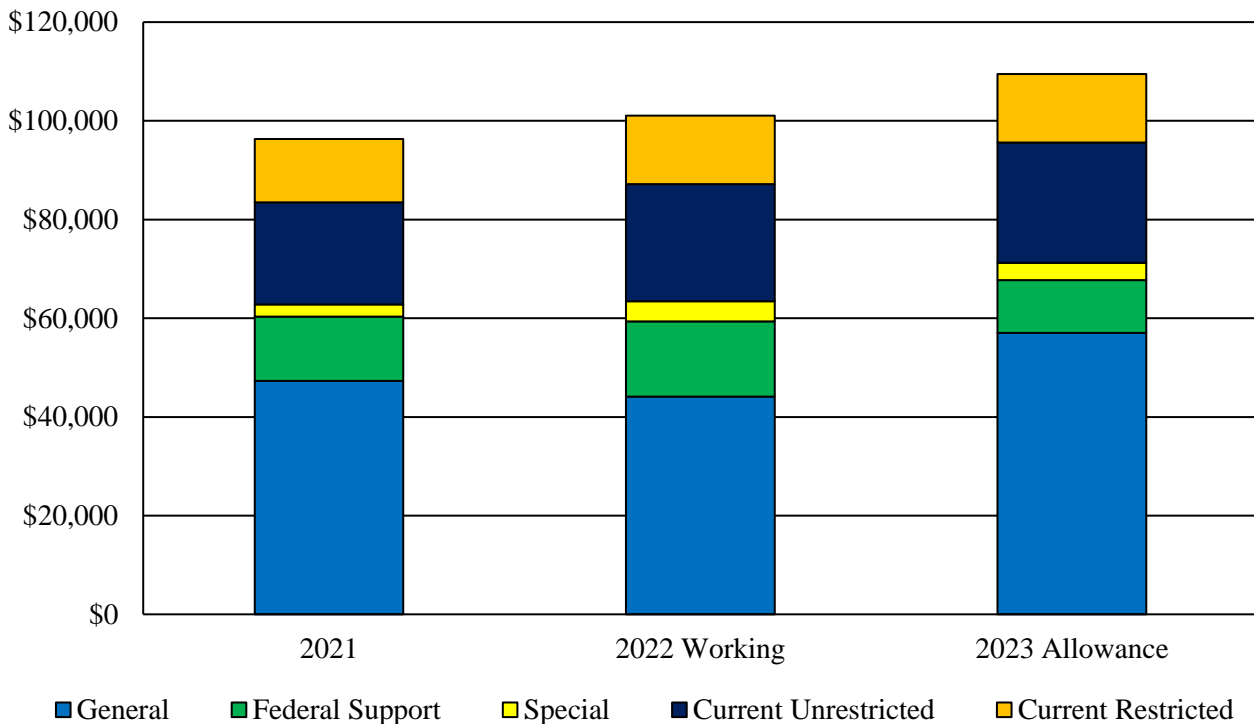
R30B27
Coppin State University
University System of Maryland

Executive Summary

Coppin State University (CSU) is a comprehensive, urban institution located in northwest Baltimore City that provides academic programs in the arts and sciences, teacher education, nursing, graduate studies, and continuing education. A Historically Black College and University, CSU has a culturally rich history as an institution providing quality educational programs and community outreach services.

Operating Budget Summary

Fiscal 2023 Budget Increases \$8.4 Million, or 8.4%, to \$109.5 Million
(\$ in Thousands)



Note: The fiscal 2022 working appropriation includes a proposed deficiency appropriation. The fiscal 2022 working appropriation includes general salary and merit increases as well as a one-time bonus, which are budgeted with the Department of Budget and Management (DBM) Statewide Expenses Program. The fiscal 2023 allowance includes annualization of the fiscal 2022 general salary and merit increases as well as fiscal 2023 general salary and merit increases, which are budgeted within the DBM Statewide Expenses Program.

For further information contact: Ian M. Klein

Phone: (410) 946-5530

- The fiscal 2022 working appropriation and 2023 allowance includes a total of \$15.3 million and \$10.7 million, respectively, in direct federal support from various COVID-19-related stimulus legislation. When excluding these federal funds, the fiscal 2023 allowance increases by \$13.0 million compared to the fiscal 2022 working appropriation.
- The fiscal 2023 allowance includes the first year of funding required under Chapter 41 of 2021 (\$5.7 million).

Key Observations

- ***Fall 2021 Enrollment:*** Fall 2021 undergraduate enrollment decreased by 275 students, or 13.0%, compared to fall 2020, and by 550 students, or 23.1%, when compared to fall 2019.
- ***Revenue Loss:*** CSU experienced a budget shortfall of \$8.1 million in fiscal 2021 and anticipates a \$3.1 million budget shortfall for fiscal 2022. The university has utilized federal Higher Education Emergency Relief Funding (HEERF) to offset budget shortfalls caused by the pandemic; the university anticipates that \$10.7 million in HEERF will be available for usage in fiscal 2023.
- ***Enrollment and State Funds Per Full-time Equivalent Student (FTES):*** Total enrollment has decreased by 1,008 students, or 32.4%, since 2015. Despite the enrollment decline, State funding per FTES has grown from \$17,003 in fiscal 2015 to \$30,090 in the fiscal 2023 allowance, or to \$27,270 when excluding Chapter 41 funding. CSU receives the highest State funds spent per FTES of the Maryland public four-year institutions when excluding the University of Maryland, Baltimore Campus (UMB).

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

R30B27
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Operating Budget Analysis

Program Description

CSU is a comprehensive, urban institution offering programs in nursing, humanities, education, liberal arts, and sciences. CSU provides access to education and diverse opportunities for students with high potential for success and those whose promise may have been hindered by lack of social, personal, or financial opportunity. While servicing all students in the State, CSU will continue to enhance the connection to first generation college students and Baltimore City.

Carnegie Classification: Master’s Colleges and Universities: Small Programs

Fall 2021 Undergraduate Enrollment Headcount		Fall 2021 Graduate Enrollment Headcount	
Male	419	Male	67
Female	1,426	Female	189
Total	1,845	Total	256

Fall 2021 New Students Headcount		Campus (Main Campus)	
First-time	185	Acres	58.4
Transfers/Others	174	Buildings	13
Graduate	49	Average Age	37
Total	408	Oldest	1,961

Programs		Degrees Awarded (2020-2021)	
Bachelor’s	31	Bachelor’s	343
Master’s	12	Master’s	63
Doctoral	1	Doctoral	4
Certificates	9	Multiple Major	4
		Certificates	6
		Total Degrees	420

Proposed Fiscal 2023 In-state Tuition and Fees*

Undergraduate Tuition	\$4,836
Mandatory Fees	\$2,068

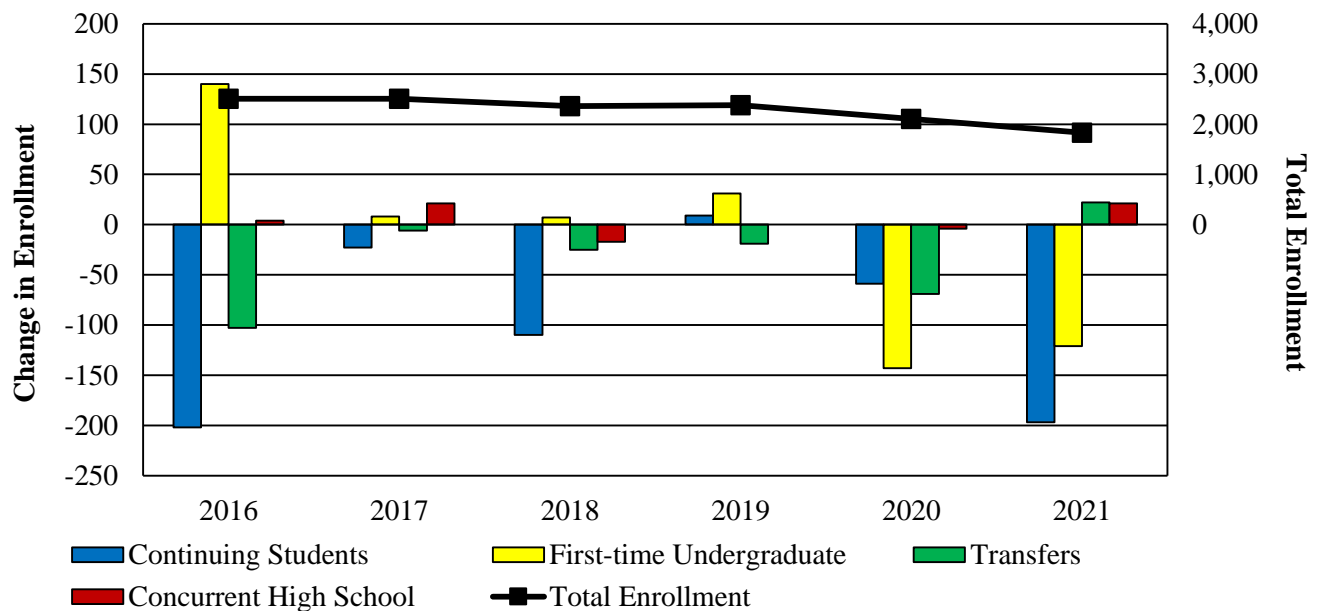
*Contingent on Board of Regents approval.

Performance Analysis

1. Undergraduate Fall Headcount

Since the high mark of 3,451 in 2005, undergraduate enrollment has generally declined at CSU. With 1,833 undergraduate students enrolled for the fall 2021 semester, the undergraduate enrollment has declined by 1,607 students, or 46.9%, since 2005. As shown in **Exhibit 1**, the undergraduate enrollment was stable at times from 2016 through 2019, with a slight increase in enrollment in 2019. However, undergraduate enrollment again declined in fall 2020 and fall 2021 as a result of the COVID-19 pandemic, decreasing by 550 students in fall 2021 when compared to fall 2019. The largest declines were among the first-time, full-time (FT/FT) and continuing student populations, which fell by 264 students and 256 students, or 58.8% and 15.1% of those student populations, respectively, over these two years. CSU attributed the decline of continuing and FT/FT student populations to the generally low socioeconomic status of these groups, which were hit particularly hard by the COVID-19 pandemic. Both the transfer and concurrent high school populations increased for the first time since fall 2018. CSU attributed the increase in the transfer population to the institution providing a one-time \$1,200 tuition credit enrollment incentive while the increase in the concurrent high school population was attributed to the institution’s partnership with Coppin Academy High School.

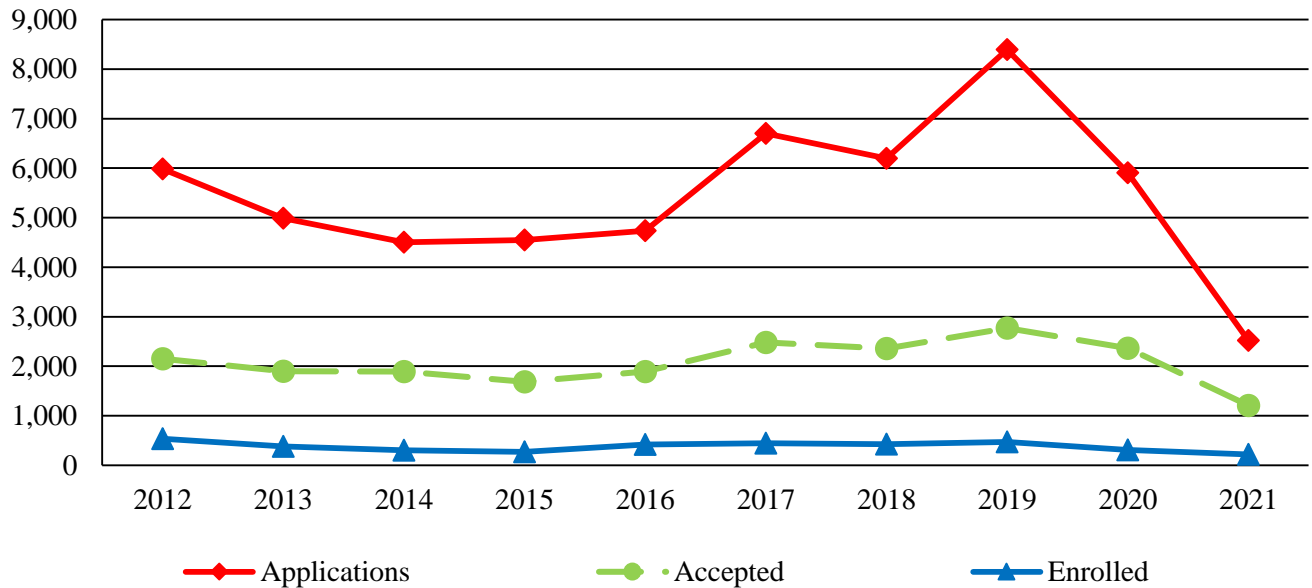
Exhibit 1
Change in Undergraduate Enrollment by Category and Total Headcount
Fall 2016-2021



Source: University System of Maryland

CSU attributed the large increase in first-time undergraduate applications from 2016 through 2019 to participating in the Common Black Application, which allows a prospective student to apply to the 66 member institutions through one application; however, as of 2019, CSU no longer participates in this process. As shown in **Exhibit 2**, the number of applications for fall 2021 has decreased considerably compared to fall 2019, falling by 70.0%, or 5,875 applications. The decline in applications beginning in fall 2020 was attributed to a decreased participation rate of recent high school graduates at comprehensive institutions as a result of the COVID-19 pandemic. The acceptance rate increased to 48% in fall 2021 from 33% in fall 2019, which is the highest acceptance rate since fall 2010 when it totaled 54%. However, the yield rate in fall 2021 (18%) returned to prior levels after a decrease in fall 2020.

Exhibit 2
Undergraduate Applications, Accepted, and Enrolled
Fall 2012-2021



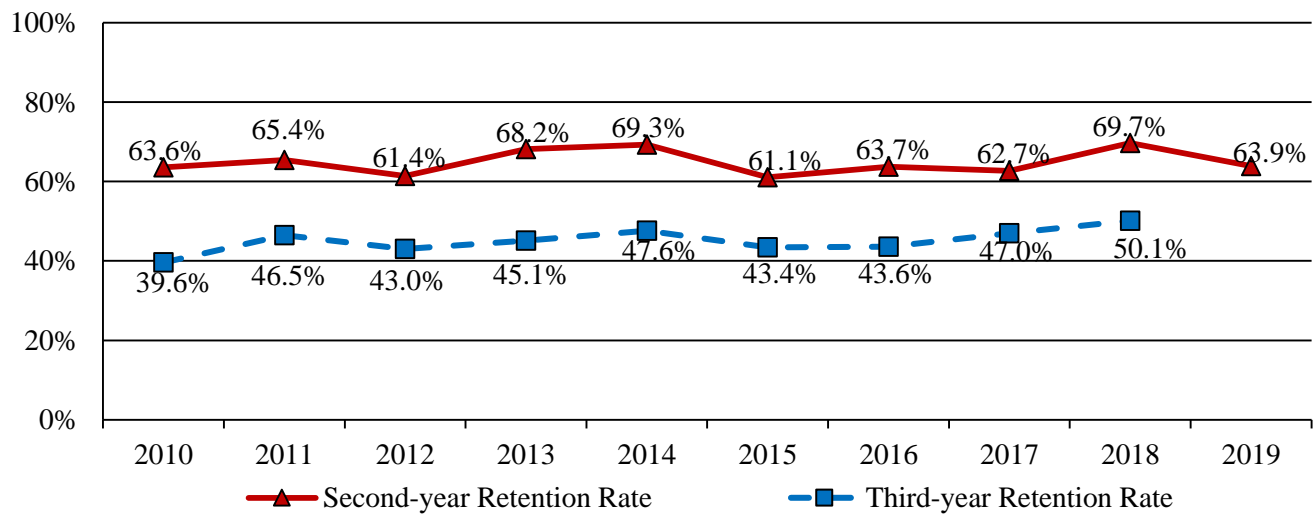
Source: University System of Maryland; Coppin State University

2. Student Performance

Retention Rates

Student retention rates provide a measure of student progress and an institution’s performance; a high retention rate indicates the ability of an institution to keep students and the more likely a student will succeed and graduate. As students are more likely to drop out during their first year, the second-year rate is an indicator of a number of factors from students not being prepared for college to institutional support designed to retain students. Institutions tend to focus efforts on retaining first-year students and not providing supports needed to keep students beyond their second year, thereby increasing their chances to graduate. As shown in **Exhibit 3**, the second-year retention rate has fluctuated over this period; however, the 2018 cohort second-year retention rate of 69.7% was the highest achieved over this period before dropping to 63.9% for the 2019 cohort. Despite the decrease, the 2019 cohort rate was in line with recent history. The second-year retention rate did not dip below 60% or increase above 70% over this period. The third-year retention rate has steadily improved since the 2015 cohort, increasing by 6.7 percentage points to 50.1% for the 2018 cohort. The 50.1% third-year retention rate for the 2019 cohort is the highest achieved in over a decade for CSU. CSU attributes the recent increase to the development of Academic Success Centers (ASC) within each college during summer 2017, which were charged with monitoring and conducting outreach to cohorts and the University Academic Advising Center which was charged to conduct individualized advising sessions. The 2015 cohort would have been the first cohort to have ASC support by their third-year. The ASC use an intrusive advising/assisting approach to monitor degree progress, which is individualized for each cohort member. The institution is also implementing a sophomore year experience to provide wrap-around services to retain second-year students.

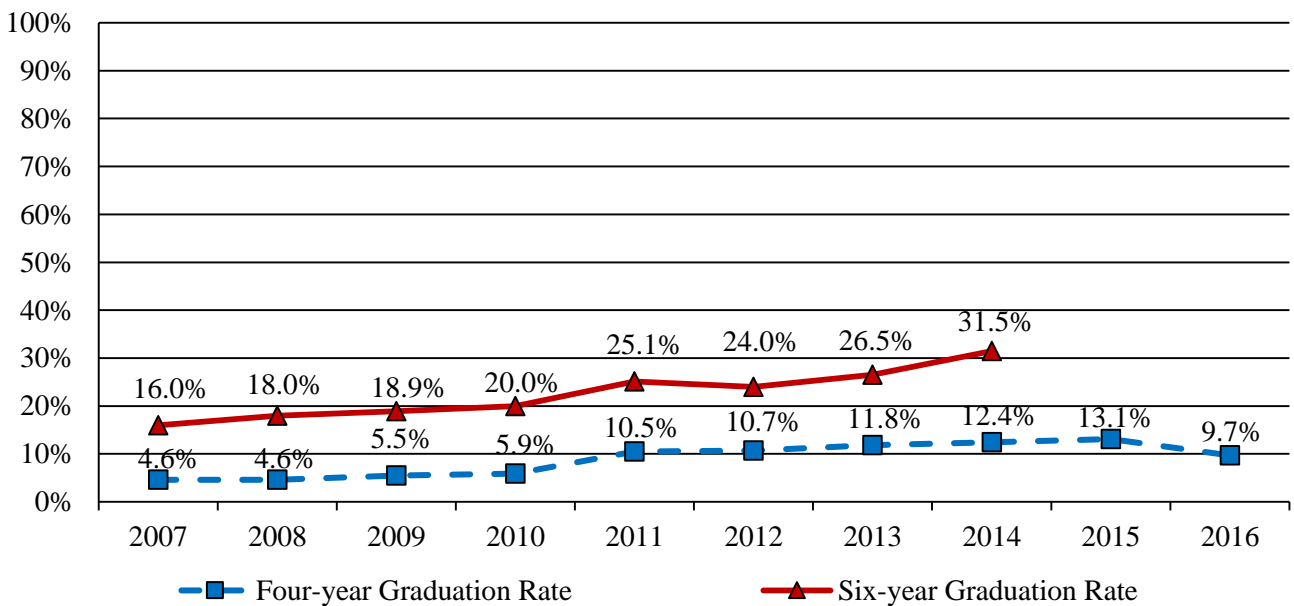
Exhibit 3
Second- and Third-year Retention Rates
2010-2019 Cohorts



Source: Maryland Higher Education Commission

Graduation rates are, in part, another measure of student persistence and efficiency – as more students graduate, it frees up more room, allowing an institution to enroll more students. **Exhibit 4** shows the four- and six-year graduation rates for FT/FT students, which include those who transferred and graduated from another Maryland institution. Overall, the six-year graduation rate has steadily climbed from 16.0% in the 2007 cohort to 31.5% in the 2014, a near doubling of the six-year graduation rate growth of over this period. CSU also attributes the recent increase in the six-year graduation rate to the work done by ACS. The 2012 cohort would have been the first cohort to have ACS support by its sixth year. The four-year graduation rate, which had experienced continual growth from the 2008 cohort through the 2015 cohort, dropped by 3.4%, totaling 9.7%.

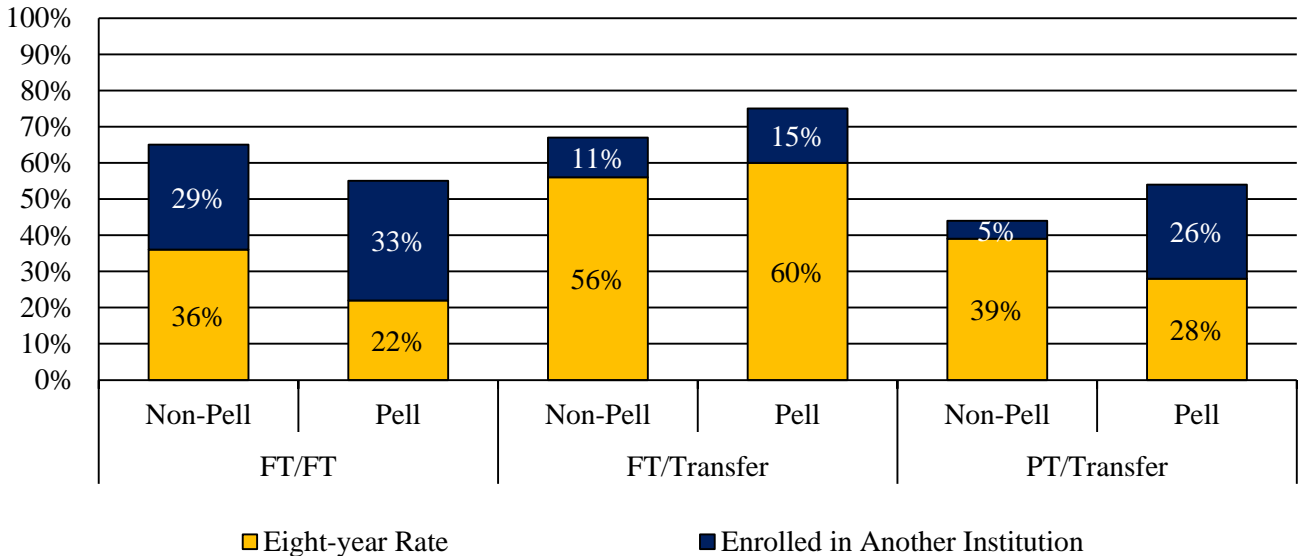
Exhibit 4
Graduation Rate of First-time, Full-time Students
2007-2016 Cohorts



Source: Maryland Higher Education Commission

Traditionally, graduation measures only capture the outcomes of the traditional FT/FT students who are increasingly comprising a smaller portion of the student population. In order to have a more inclusive graduation rate that captures the progress of nontraditional students, the Integrated Postsecondary Data System reports on the outcomes of first-time, transfers, and part-time transfer students by Pell and non-Pell recipients. As shown in **Exhibit 5**, both non-Pell- and Pell-eligible full-time transfer students had the highest eight-year graduation rate of 56%, and 60%, respectively. Non-Pell part-time transfer students and FT/FT students graduated at the next highest rates of 39% and 36%, respectively. Pell-eligible part-time transfer students and FT/FT students graduated at the lowest rates, achieving an eight-year graduation rate of 28% and 22%, respectively.

**Exhibit 5
Eight-year Graduation Rates for
Students Entering in Academic Year 2013-2013**



FT: full time
 FT/FT: first time, full time
 PT: part time

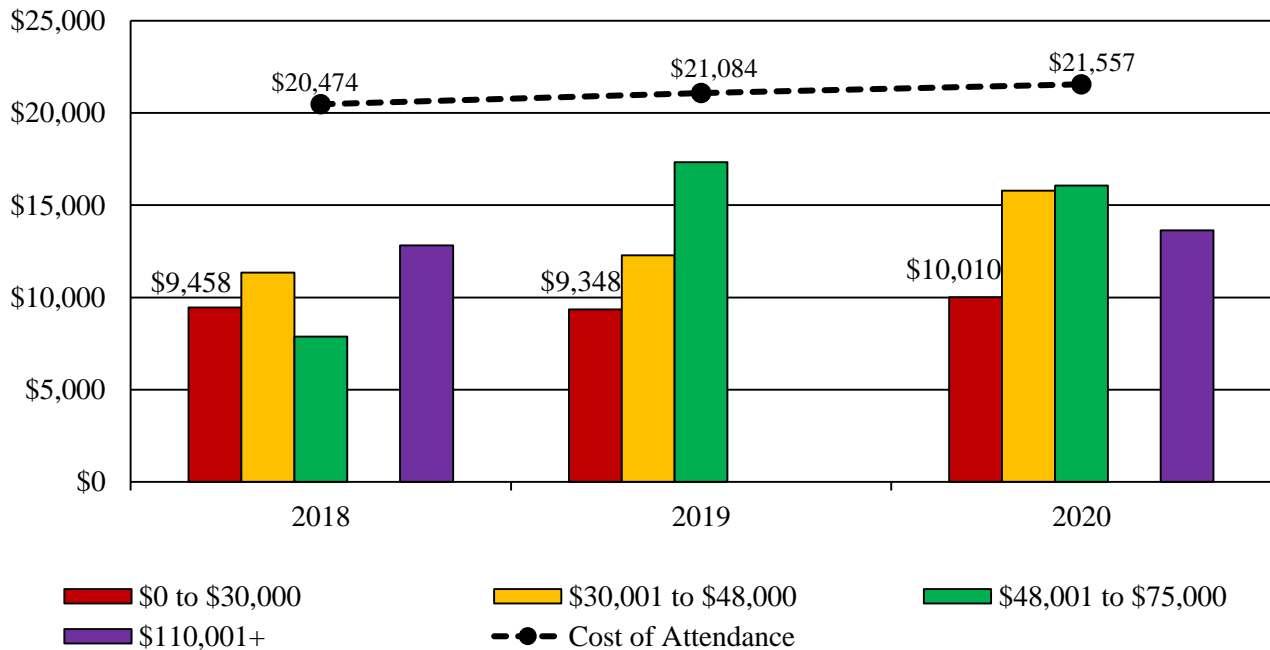
Source: National Center for Education Statistics; College Navigator

3. Affordability and Accessibility

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 CSU students. As shown in **Exhibit 6**, in fiscal 2020, the average net price for an individual with an income from \$0 to \$30,000 was \$10,010, or 53.6% less than the published COA for a FT/FT student. The average cost to a student varies by income level; generally, those with a lower family income receive more financial aid, thereby lowering the average price for attending college; for instance, in fiscal 2020, while an individual with a family income from \$0 to \$30,000 has an average net cost of \$10,010, the average net cost for an individual with a family income of \$48,001 to \$75,000 was \$16,070.

**Exhibit 6
Estimated Cost of Attendance versus Average Net Price
Fiscal 2018-2020**



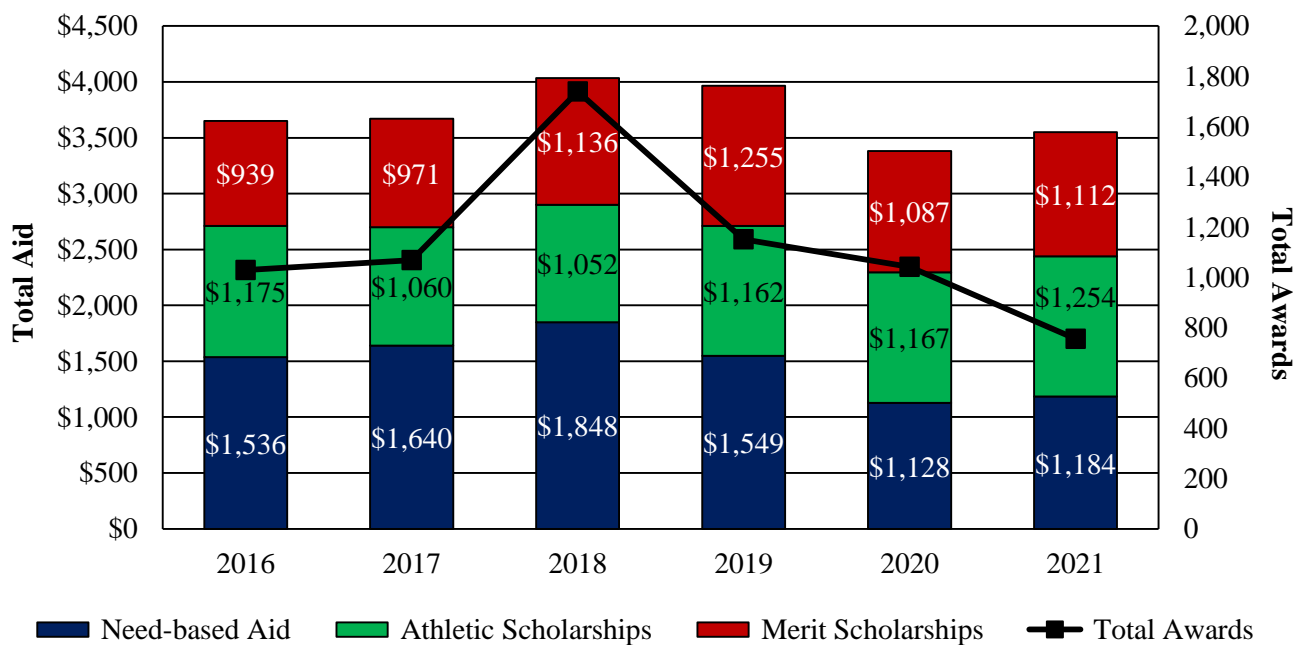
Source: National Center for Education Statistics; College Navigator

Institutional Aid

As shown in **Exhibit 7**, the number of awards reached the highest level in this period in fiscal 2018 before substantially declining over the next several years. The number of awards in fiscal 2021 (756) was 56.6% lower than 2018. CSU attributed the large growth in the number of awards provided in fiscal 2018 to the implementation of a financial aid packaging criteria that provided small financial aid amounts to greater number of students. The decline in overall numbers of awards in fiscal 2021 was the result of significantly lower enrollment and the use of federal financial aid payments. Total expenditures on institutional aid have fluctuated from fiscal 2016 through 2021, ranging from a high of \$4.0 million in fiscal 2018, to a low of \$3.4 million in fiscal 2020. From fiscal 2018 through 2021, spending on need-based aid decreased from \$1.8 million, or 45.8% of aid spending, to \$1.2 million, or 33.3% of aid spending. Conversely, spending on athletic scholarships has increased over the same period from \$1.1 million, or 26.1% of aid spending, to \$1.3 million, or 35.5% of aid spending. While spending on merit scholarships has held relatively stable over this period, the overall percentage of spending toward merit scholarships has increased, going from 28.1% in fiscal 2018 to 31.3% in fiscal 2021. On average, over this period, need-based aid represented 40% of aid awarded, followed by athletic scholarships and merit scholarships, which averaged 31% and 29%,

respectively. While the distribution of awards was roughly even through this period, athletic scholarships have represented the plurality of total aid allocated in both fiscal 2020 and 2021, totaling 34.5%, and 35.3%, respectively. **The President should comment on why a shift was made toward spending more on athletic scholarships and less on need-based aid and the impact that this has had on low-income students.**

Exhibit 7
Institutional Aid Expenditures and Total Awards by Category
Fiscal 2016-2021
(\$ in Thousands)

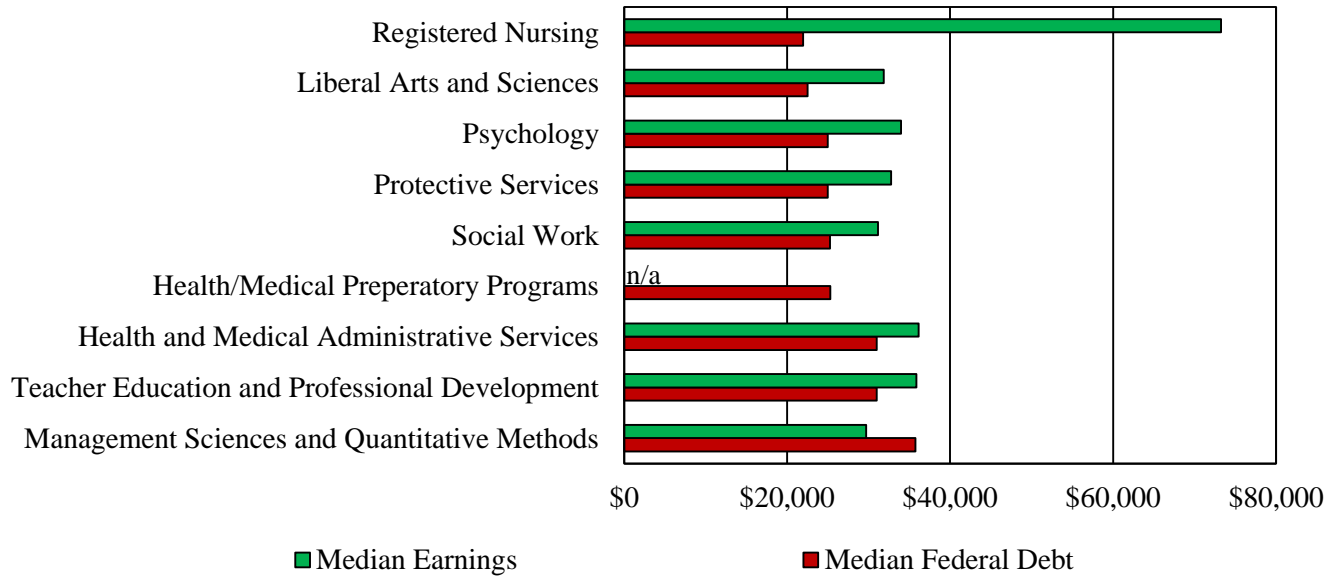


Source: Maryland Higher Education Commission; Coppin State University

Student Debt

In an effort to give students a better picture of outcomes at the program rather than the institutional level, the U.S. Department of Education’s College Scorecard reports the median debt (excluding private and Parent PLUS loans) and median earnings two years after graduation, as reported by the institutions. This information helps students consider the amount of federal debt they may incur and their ability to repay the loan after graduating, since repayments are based on salaries. As is shown in **Exhibit 8**, registered nursing majors have the lowest federal median debt at \$21,948 while also having the highest median salaries after graduation at \$73,231. Conversely, management sciences and quantitative methods majors have the highest median federal debt at \$35,750 with an average salary of \$29,685 after graduation.

Exhibit 8
Undergraduate Programs with By Median Federal Debt and
Median Earnings



Note: Data is based on school reported information. Median based data is based on pooled data of fiscal 2016 through 2018 of undergraduate borrowers who graduated and excludes private loans, parent PLUS loans, and loans of other institutions. Median earnings are for students two years after graduation for only those that received federal financial aid.

Source: U.S. Department of Education, College Scorecard

Fiscal 2022 Working Budget

Actions Affecting Fiscal 2022 Budget

A proposed deficiency of \$45.5 million across institutions would replace general funds with Higher Education Investment Funds (HEIF) due to higher revenue estimates and availability of HEIF fund balance, of which CSU’s share is \$1.4 million.

Federal Stimulus Funds

Three federal fund relief packages provided institutions across higher education support through allocations from HEERF. Combined, CSU received a total of \$39.1 million. As shown in **Exhibit 9**, \$7.0 million of these funds were designated for direct student financial aid from fiscal 2020 to 2022. A majority of these funds, \$15.3 million, are to be expended in fiscal 2022, of which \$4.2 million was brought in through a fiscal 2022 budget amendment. The fiscal 2023 allowance includes \$10.7 million of HEERF III provided in the American Rescue Plan Act of 2021.

Exhibit 9
Summary of HEERF
Fiscal 2020-2023
(\$ in Thousands)

	<u>2020</u> <u>HEERF I</u>	<u>HEERF I</u>	<u>2021</u> <u>HEERF II</u>	<u>HEERF III</u>	<u>HEERF I</u>	<u>2022</u> <u>HEERF II</u>	<u>HEERF III</u>	<u>2023</u> <u>HEERF III</u>	<u>Total</u>
Financial Aid	\$1,362	\$2	\$1,364				\$4,223		\$6,951
Institutional Aid	17	1,347	3,459	\$68			4,076		8,966
HBCU		2,383	3,142		\$1,823	\$3,781	1,358	\$10,716	23,203
Total	\$1,379	\$3,732	\$7,965	\$68	\$1,823	\$3,781	\$9,657	\$10,716	\$39,121

Total by Type

HEERF I	\$6,934
HEERF II	11,746
HEERF III	20,440
Grand Total	\$39,121

HBCU - Historically Black Colleges and Universities

HEERF: Higher Education Emergency Relief Fund

HEERF I: Coronavirus Aid, Relief, and Economic Security Act

HEERF II: Coronavirus Response and Relief Supplemental Appropriations Act of 2021

HEERF III: American Rescue Plan

Source: University System of Maryland

As shown in **Exhibit 10**, in fiscal 2021, of the funds not required to be used for financial aid, the majority of funds (\$8.1 million) were used to cover revenue loss, including reductions from tuition, housing, dining, athletics, and other lost auxiliary revenues. In fiscal 2022, the distribution of HEERF spending was roughly uniform with revenue loss (\$3.1 million); COVID-19 monitoring/related services (\$4.0 million); and additional student financial aid above what was mandated (\$3.9 million), encompassing the total expended. CSU will not expend that entirety of the remaining \$10.7 million of funds by the end of fiscal 2022; as a result, CSU will be requesting a no-cost extension to use the remaining funds in fiscal 2023.

Exhibit 10
Spending of Federal Relief Funds
Fiscal 2021-2023
(\$ in Thousands)

	2021		2022		2023		Total
	<u>Institutional Aid</u>	<u>HBCU</u>	<u>Institutional Aid</u>	<u>HBCU</u>	<u>Institutional Aid</u>	<u>HBCU</u>	
Revenue Loss ¹	\$3,689	\$4,451		\$3,059		\$2,716	\$13,915
Testing, PPE, COVID-19 and Other ²	1,184	703	183	3,771		3,000	8,842
Academic/Administrative Technology ³		371		132		1,000	1,503
Institutional Financial Aid			3,892			4,000	7,892
Total Funds	\$4,874	\$5,525	\$4,076	\$6,962		\$10,716	\$32,153
Direct Aid to Students							
	<u>Students</u>	<u>Amount</u>					
2020	2,179	\$1,362					
2021	1,931	1,366					
2022	<u>2,809</u>	<u>3,990</u>					
	6,919	\$6,718					

HBCU: Historically Black Colleges and University

PPE: personal protective equipment

¹ Includes revenue reductions from tuition, housing, dining, athletics, parking, and room and board refunds to students.

² COVID-19 monitoring/reporting; providing additional services to meet U.S. Centers for Disease Control and Prevention requirements; and other nontechnology goods and services needed to deliver remote instruction.

³ Includes training, additional staffing, software, and equipment related to virtual technology and remote teaching

Note: Direct aid to students identifies actual expenditure as of February 4, 2022. For the spring 2022 semester, Coppin State University anticipates that 1,793 additional students will receive aid from the university, which is estimated to cost \$2,151,600.

Source: Coppin State University

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 2021 and 2022, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 11 shows budget changes for unrestricted funds by program area for fiscal 2021 and 2022, which on net are effectively level (a decrease of \$0.5 million, or 0.7%). The fiscal 2022 education and general (E&G) revenues and expenditures are adjusted to reflect a general salary increase, increments, and bonuses totaling \$1.5 million.

Exhibit 11
Budget Changes for Unrestricted Funds by Program
Fiscal 2021-2022
(\$ in Thousands)

	2021 Actual	2022 Adjusted Working	2021-2022 \$ Change	2021-2022 % Change
Expenditures				
Instruction	\$18,282	\$19,931	\$1,649	9.0%
Academic Support	7,209	7,116	-\$93	-1.3%
Student Services	5,781	6,070	\$290	5.0%
Institutional Support	17,930	15,403	-\$2,528	-14.1%
Operation and Maintenance of Plant	11,320	9,561	-\$1,759	-15.5%
Scholarships and Fellowships	2,521	2,968	\$448	17.8%
General Salary Increase	0	1,537	\$1,537	0.0%
Education and General Total	\$63,042	\$62,585	-\$457	-0.7%
Auxiliary Enterprises	\$8,680	\$9,303	\$623	7.2%
Total Expenditures	\$71,723	\$71,888	\$165	0.2%
Revenues				
Tuition and Fees	\$13,001	\$13,683	\$682	5.2%
State Funds ¹	51,055	48,172	-\$2,883	-5.6%
Other	8,575	420	-\$8,155	-95.1%
Total E&G Revenues	\$72,632	\$62,275	-\$10,357	-14.3%
Auxiliary Enterprises	6,345	10,323	\$3,979	62.7%
Transfer (to)/from Fund Balance	-7,254	-710	\$6,544	-90.2%
Available Unrestricted Revenues	\$71,723	\$71,888	\$165	0.2%

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

Note: Fiscal 2022 adjusted to reflect general salary increases, increments, and one-time bonuses

Source: Governor's Fiscal 2023 Budget Books

There are anticipated declines in spending for institutional support and operation and maintenance of plant by \$2.5 million, or 14.1%, and \$1.8 million, or 15.5%, respectively. The anticipated reduction in spending for institutional support is due to a decrease in contractual services, including housekeeping, security services, data processing consulting services, as well as a decline in information technology expenditures. The decrease in operation and maintenance of plant occurs in contractual services, including equipment repairs and housekeeping as well as lower debt service costs. The largest anticipated increase is in instruction, which grows by \$1.6 million, or 9.0%, above fiscal 2021, which is the result of filling of numerous vacant faculty positions. Spending on auxiliary enterprises is anticipated to grow by \$0.6 million, or 7.2%, due to the filling of regular positions and contractual full-time equivalents.

Through the first half of the fiscal year, anticipated tuition and fee revenues and anticipated auxiliary revenues are at 45%, and 43% of expectations, respectively; hitting 50% with these revenue sources would indicate that the expected revenue will be achieved. **The President should comment on actions that the university will take should revenue not meet budgeted levels.**

Fiscal 2023 Proposed Budget

As shown in **Exhibit 12**, State support in the fiscal 2023 adjusted allowance increases by \$12.3 million, or 25.6%, compared to the adjusted fiscal 2022 working appropriation. The general fund increase of \$12.9 million, or 29.3%, is slightly offset by a \$0.6 million decline in the HEIF after accounting for the proposed deficiency.

Exhibit 12
Proposed Budget
Coppin State University
Fiscal 2021-2023
(\$ in Thousands)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Adjusted</u>	<u>2023</u> <u>Adjusted</u>	<u>2022-2023</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$47,318	\$43,957	\$47,300	\$3,343	7.6%
Personnel Adjustments		1,537	4,055	2,518	
Deficiency – HEIF Swap		-1,395			
Chapter 41 of 2021 Funds			5,667		
Total General Funds	\$47,318	\$44,099	\$57,022	\$12,922	29.3%
HEIF	\$2,469	\$2,678	\$3,459		
Deficiency – HEIF Swap		1,395			
Total HEIF	2,469	4,073	3,459	-614	-15.1%
CARES Act – State Support	1,268				
Total State Funds	\$51,055	\$48,172	\$60,480	\$12,308	25.6%
Other Unrestricted Funds	\$27,921	\$24,426	\$25,098	\$672	2.8%
Transfer to Fund Balance	-7,254	-710	-707		
Net Unrestricted Funds	\$71,723	\$71,888	\$84,872	\$12,984	18.1%
Restricted Funds	\$12,807	\$13,900	\$13,900	\$0	0.0%
Direct Federal Support	11,765	15,261	10,716	-4,545	-29.8%
Total Restricted Funds	\$24,572	\$29,161	\$24,616	-\$4,545	-15.6%
Total Funds	\$96,295	\$101,049	\$109,488	\$8,439	8.4%

CARES: Coronavirus Aid, Relief, and Economic Security

HEIF: Higher Education Investment Fund

Note: The fiscal 2021 actual includes \$8.1 million in Higher Education Emergency Relief Funding that was included in other unrestricted funds while also being included with direct federal support restricted funding, resulting in double-counting of these funds. The fiscal 2022 working appropriation is adjusted to reflect general salary increases, increments, one-time bonuses, and deficiency. The fiscal 2023 allowance is adjusted to reflect the annualization of fiscal 2022 general salary increases and increments and fiscal 2023 general salary increases and increments. These actions are budgeted within the Department of Budget and Management Statewide Expenses. Direct federal support includes the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and the American Rescue Plan Act funds.

Source: Governor’s Fiscal 2023 Budget Books

The additional fiscal 2023 State support provides:

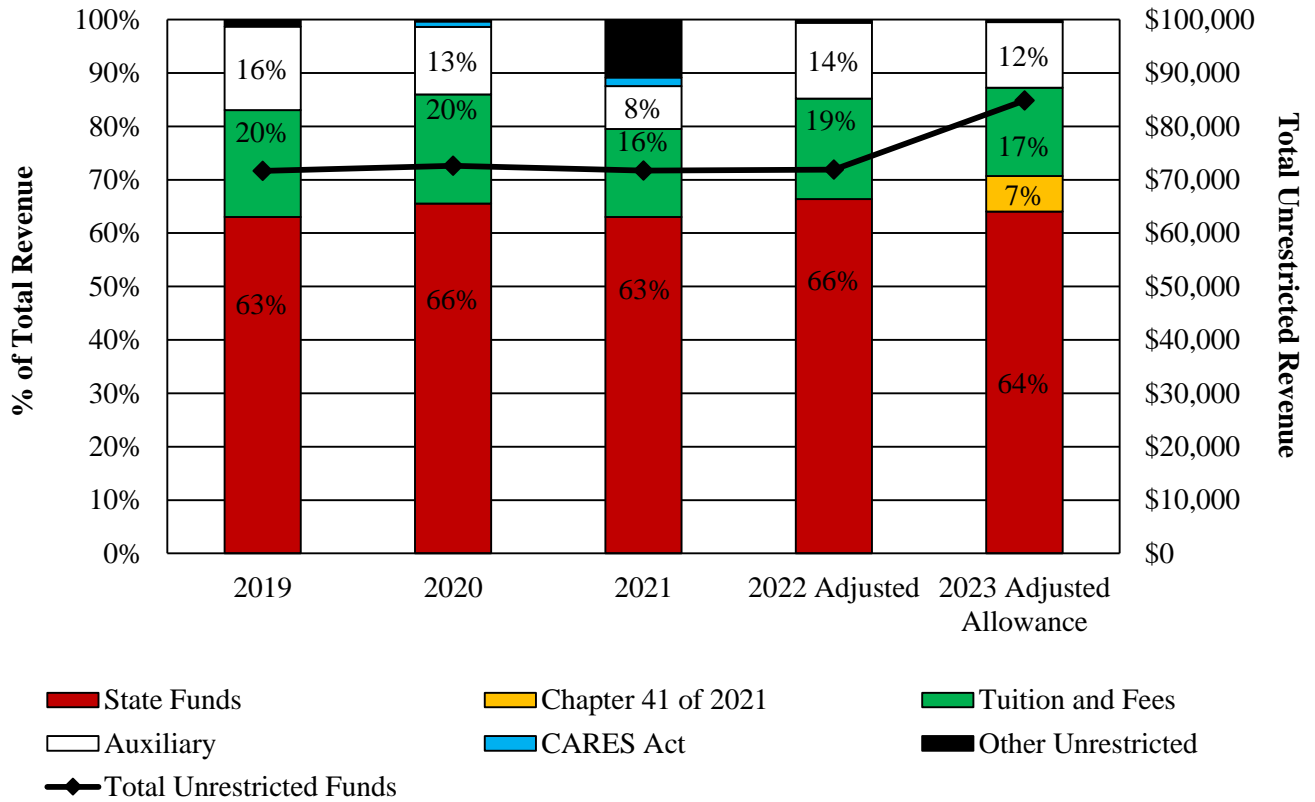
- \$5.7 million as required under Chapter 41. These funds will be used to bolster academic programs by hiring faculty and support staff (\$2.4 million), provide academic scholarships and student support (\$2.3 million), and program marketing (\$1.0 million);

- \$2.7 million to restore the reduction taken by the Board of Public Works in fiscal 2021;
- \$2.5 million for annualization of fiscal 2022 general salary increases and increments as well as fiscal 2023 general salary increases and increments, partially offset by one-time bonuses provided in fiscal 2022; and
- \$1.4 million for increases in facilities/operating expenses.

Revenue Sources

In the fiscal 2023 allowance, State funds (general funds, the HEIF, and general funds resulting from Chapter 41) and tuition and fee revenues comprise 71% and 17% of CSU’s State-supported revenues, respectively. Overall, **Exhibit 13** shows the impact that declining enrollment has had on the composition of unrestricted revenues in recent years, with State funds comprising an increasingly larger portion of revenues, growing by three percentage points when comparing fiscal 2019 and 2022. However, absent the additional general funds related to Chapter 41, the State funds would have returned to near fiscal 2019 levels as a share of unrestricted revenue. Comparing fiscal 2019 and 2023 tuition and fee revenues decrease by 3 percentage points. Despite the declining enrollment, CSU anticipates auxiliary revenues to rebound to levels greater than what was achieved prior to the pandemic. **The President should comment on the university’s anticipated auxiliary revenue projections, identifying if those projections are realistic given the continued impact the COVID-19 pandemic has had on enrollment and auxiliary service revenues.**

Exhibit 13
Unrestricted Revenues by Fund Source, Excluding Transfers to Fund Balance
Fiscal 2019-2023
(\$ in Thousands)



CARES: Coronavirus Aid, Relief, and Economic Security

Note: The fiscal 2022 appropriation includes general salary and merit increases as well as one-time bonuses, which are budgeted with the Department of Budget and Management (DBM) Statewide Expenses Program. The fiscal 2023 allowance includes annualization of the fiscal 2022 general salary and merit increases as well as fiscal 2023 general salary and merit increases, which are budgeted within the DBM Statewide Expenses Program. Transfers to fund/plant balance are excluded from percentage of other unrestricted totals. Other unrestricted funds in fiscal 2021 primarily includes additional CARES Act Higher Education Emergency Relief Funding.

Source: Governor’s 2019-2023 Budget Books; Department of Legislative Services

Personnel Data

	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22-23</u> <u>Change</u>
Regular Positions	417.00	417.00	417.00	0.00
Contractual FTEs	<u>110.97</u>	<u>124.09</u>	<u>124.09</u>	<u>0.00</u>
Total Personnel	527.97	541.09	541.09	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	4.17	1.00%
Positions and Percentage Vacant as of 12/31/21	50.00	12.00%
Vacancies Above Turnover	45.83	11.00%

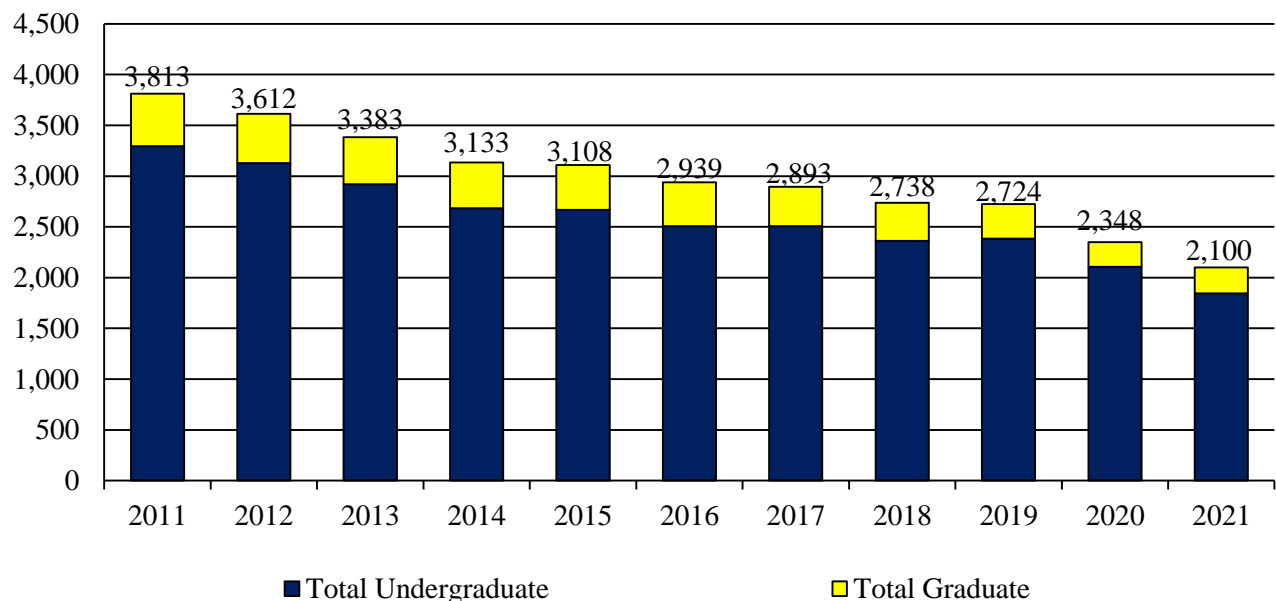
- CSU currently has 27 active postings for open positions. CSU has indicated that it is experiencing a longer than normal recruitment cycle due to the current labor market. A number of these positions have been posted multiple times due to the lack of qualified applicants. Based on the current outlook, CSU does not anticipate the high vacancy rate will be an ongoing issue for at least the near future.

Issues

1. Enrollment and State Funds per Full Time Equivalent Students

CSU’s total enrollment has steadily declined from 2011 through 2021. As shown in **Exhibit 14**, the 2021 undergraduate and graduate cohort totaled 2,100 students, a reduction of 1,713 students, or 44.9%, from the 2011 cohort total. The fall 2021 cohort total is a decrease of 2,206 students, or 51.2%, from the 2005 record high of 4,306 students. **The President should comment on if there is a breakeven point for enrollment and revenues and, if so, what will happen when enrollment drops below the breakeven point.**

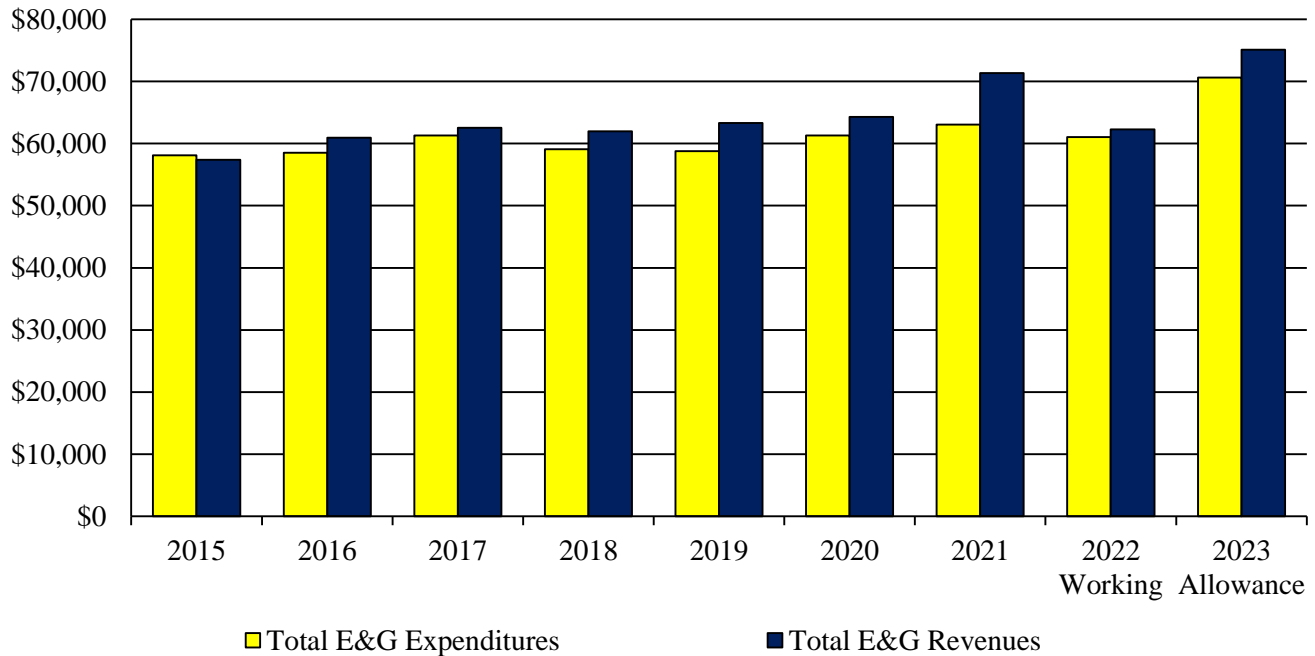
Exhibit 14
Coppin State University Total Enrollment Decline
Fall 2011-2021



Source: Maryland Higher Education Commission

Notwithstanding steadily declining enrollment, CSU’s E&G expenditures have steadily increased. As shown in **Exhibit 15**, despite a 32.4% reduction in enrollment from fiscal 2015 to 2021, E&G expenditures in the fiscal 2023 allowance are \$12.5 million, or 21.5%, higher than fiscal 2015. While E&G expenditures have increased, CSU has remained fiscally conservative, spending more on E&G than the revenue brought in to pay for those expenses only once from fiscal 2015 through the fiscal 2023 adjusted allowance.

Exhibit 15
Education and General Expenditures and Revenues
Fiscal 2015-2023 Adjusted Allowance
(\$ in Thousands)

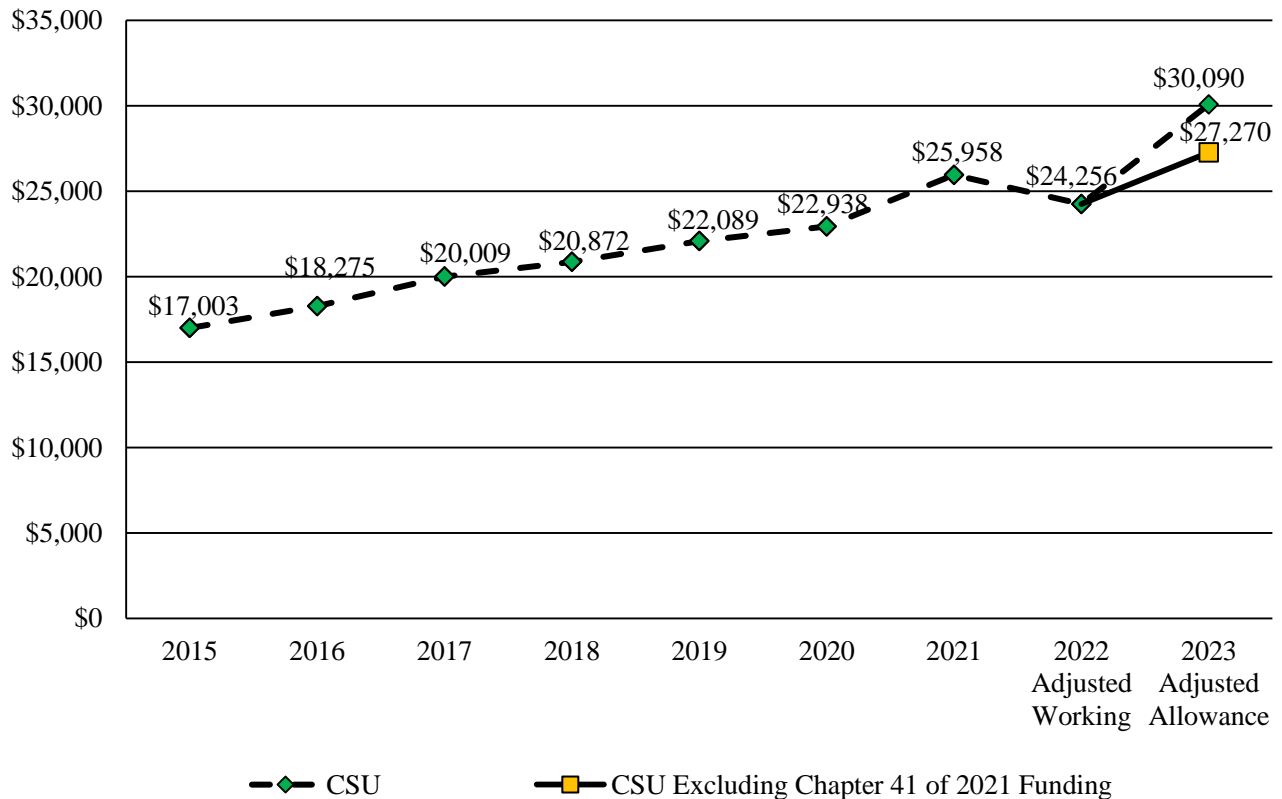


E&G: education and general

Source: Governor’s Fiscal Budget Books 2020-2023; Department of Legislative Services

A result of the increased spending on E&G and the decreasing enrollment, State funds spent per FTES have generally increased. As shown in **Exhibit 16**, State funds spent per FTES at CSU have increased by \$13,087, or 77.0%, from \$17,003 in fiscal 2015 to \$30,090 in the fiscal 2023 adjusted allowance. It should be noted that beginning in fiscal 2023, CSU will receive Chapter 41-mandated funding, totaling \$5.7 million. Absent these funds, State funds spent per FTES would total \$27,270. When including these funds, however, at \$30,090 in State funds per FTES in the fiscal 2023 adjusted allowance, CSU is behind only UMB, an institution that has high costs per FTES given the institution’s unique programmatic offerings and exceeds the institution with the next highest amount of State funds spent per FTES, the University of Maryland Eastern Shore (UMES) by \$6,277. From fiscal 2015 through the 2023 adjusted allowance, CSU has averaged \$24,367 State funds spent per FTES, averaging \$6,536 more than the next highest institution (UMES) when excluding UMB and including Chapter 41 funding. When excluding Chapter 41 funding, CSU has averaged \$23,897 State funds spent per FTES over this same period, averaging \$6,450 more than the next highest institution, St. Mary’s College of Maryland (\$17,447), while again excluding UMB.

Exhibit 16
State Funds Spent at CSU Per Full-time Equivalent Students
Fiscal 2015-2023 Adjusted Allowance



CSU: Coppin State University

Note: Fiscal 2020 and 2021 exclude Coronavirus Aid, Relief, and Economic Security Act State funds. The fiscal 2022 appropriation includes general salary and merit increases as well as one-time bonuses, which are budgeted with the Department of Budget and Management (DBM) Statewide Expenses Program. The fiscal 2023 allowance includes annualization of the fiscal 2022 general salary and merit increases as well as fiscal 2023 general salary and merit increases, which are budgeted within the DBM Statewide Expenses Program.

Source: Governor’s Fiscal Budget Books 2017-2023; Department of Legislative Services

The University System of Maryland Office should comment on whether CSU’s State fund appropriation is appropriate, when excluding Chapter 41 funding, given its size and mission when compared to other University System of Maryland institutions and if steps are needed to decrease the ratio of State funds per FTES.

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

**Appendix 1
Object/Fund Difference Report
Coppin State University**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	417.00	417.00	417.00	0.00	0%
02 Contractual	110.97	124.09	124.09	0.00	0%
Total Positions	527.97	541.09	541.09	0.00	0%
Objects					
01 Salaries and Wages	\$ 42,080,657	\$ 46,337,434	\$ 47,039,750	\$ 702,316	1.5%
02 Technical and Special Fees	5,826,917	7,038,644	9,991,956	2,953,312	42.0%
03 Communication	223,600	333,254	333,254	0	0%
04 Travel	319,952	1,250,318	1,246,736	-3,582	-0.3%
06 Fuel and Utilities	2,712,899	3,123,385	3,399,669	276,284	8.8%
07 Motor Vehicles	100,948	164,478	168,060	3,582	2.2%
08 Contractual Services	14,885,476	14,968,833	19,730,794	4,761,961	31.8%
09 Supplies and Materials	4,435,045	3,183,525	2,083,525	-1,100,000	-34.6%
10 Equipment – Replacement	103,277	182,876	382,876	200,000	109.4%
11 Equipment – Additional	137,673	558,606	608,606	50,000	9.0%
12 Grants, Subsidies, and Contributions	12,511,992	15,756,414	17,123,414	1,367,000	8.7%
13 Fixed Charges	11,409,959	5,916,255	2,156,245	-3,760,010	-63.6%
14 Land and Structures	1,546,740	698,242	1,168,307	470,065	67.3%
Total Objects	\$ 96,295,135	\$ 99,512,264	\$ 105,433,192	\$ 5,920,928	5.9%
Funds					
40 Unrestricted Fund	\$ 71,722,687	\$ 70,351,454	\$ 80,817,219	\$ 10,465,765	14.9%
43 Restricted Fund	24,572,448	29,160,810	24,615,973	-4,544,837	-15.6%
Total Funds	\$ 96,295,135	\$ 99,512,264	\$ 105,433,192	\$ 5,920,928	5.9%

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

**Appendix 2
Fiscal Summary
Coppin State University**

<u>Program/Unit</u>	<u>FY 21 Actual</u>	<u>FY 22 Wrk Approp</u>	<u>FY 23 Allowance</u>	<u>Change</u>	<u>FY 22 - FY 23 % Change</u>
01 Instruction	\$ 20,857,326	\$ 24,034,348	\$ 25,844,789	\$ 1,810,441	7.5%
02 Research	319,709	52,905	52,905	0	0%
03 Public Service	14,040	0	0	0	0%
04 Academic Support	7,936,710	8,513,103	8,395,241	-117,862	-1.4%
05 Student Services	6,028,113	7,158,902	7,678,328	519,426	7.3%
06 Institutional Support	30,525,764	23,809,303	24,321,067	511,764	2.1%
07 Operation And Maintenance Of Plant	11,320,125	9,591,545	11,428,485	1,836,940	19.2%
08 Auxiliary Enterprises	8,891,288	12,598,295	13,091,514	493,219	3.9%
17 Scholarships And Fellowships	10,402,060	13,753,863	14,620,863	867,000	6.3%
Total Expenditures	\$ 96,295,135	\$ 99,512,264	\$ 105,433,192	\$ 5,920,928	5.9%
Unrestricted Fund	\$ 71,722,687	\$ 70,351,454	\$ 80,817,219	\$ 10,465,765	14.9%
Restricted Fund	24,572,448	29,160,810	24,615,973	-4,544,837	-15.6%
Total Appropriations	\$ 96,295,135	\$ 99,512,264	\$ 105,433,192	\$ 5,920,928	5.9%

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.