

**RB27**  
**Coppin State University**  
 University System of Maryland

***Capital Budget Summary***

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**State-owned Capital Improvement Program**  
 (\$ in Millions)

<i>Projects</i>	<i>Prior Auth.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>Beyond CIP</i>
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New Science and Technology Center	\$115.720	\$10.300	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Percy Julian Science Renovation	0.000	0.000	0.000	1.250	1.550	20.050	22.850
<b>Total</b>	<b>\$115.720</b>	<b>\$10.300</b>	<b>\$0.000</b>	<b>\$1.250</b>	<b>\$1.550</b>	<b>\$20.050</b>	<b>\$22.850</b>

<i>Fund Source</i>	<i>Prior Auth.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>Beyond CIP</i>
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GO Bonds	\$95.720	\$10.300	\$0.000	\$1.250	\$1.550	\$20.050	\$22.850
Revenue Bonds	20.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$115.720</b>	<b>\$10.300</b>	<b>\$0.000</b>	<b>\$1.250</b>	<b>\$1.550</b>	<b>\$20.050</b>	<b>\$22.850</b>

CIP: Capital Improvement Program  
 GO: general obligation

***Summary of Recommended Bond Actions***

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1. New Science and Technology Center  
 Approve.

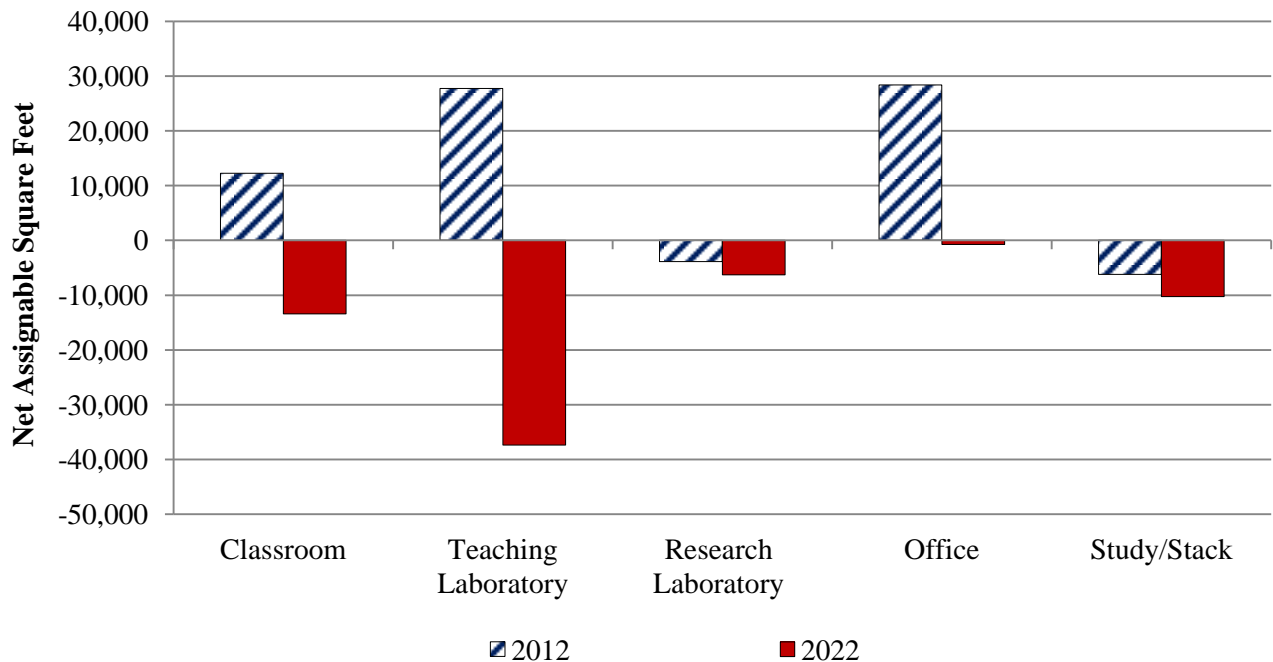
## ***Performance Measures and Outputs***

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According to the fall 2012 facilities inventory, Coppin State University’s (CSU) academic space totals 267,412 net assignable square feet (NASF), the second smallest campus in the University System of Maryland (USM). CSU has 36,673 NASF in classroom space and 58,472 NASF in teaching laboratory space. CSU also has 140,592 NASF of office space and 30,096 NASF of study/stack space. CSU is unusual in that 52.6% of NASF is office space, the highest such rate across all public four-year institutions.

**Exhibit 1** shows CSU’s self-reported space surpluses and deficiencies in fall 2012 and projected surpluses and deficiencies in fiscal 2022. Although CSU currently has moderate surpluses in three categories and slight deficiencies in two, it expects to have deficiencies in all five categories in fiscal 2022, especially in teaching laboratory space. In fiscal 2022, CSU expects to have 19.1% more NASF than it did in fall 2012, compared to a statewide public four-year institution average increase of only 13.2%.

**Exhibit 1**  
**Academic Space Surpluses/Deficiencies**  
**Net Assignable Square Feet**  
**Fall 2012 and Projected Fiscal 2022**



Source: Four-year Public Colleges and Universities Academic Space Surplus/Deficit: Fall 2012, Projected Fiscal 2022, Maryland Higher Education Commission

It is not clear why CSU expects to have deficits in all space categories given the recent additions of the Health and Human Services Building (HHSB), opened in fall 2008, and the Physical Education Complex (PEC), opened in fall 2009. In fact, full-time equivalent student (FTES) enrollment at CSU peaked in fiscal 2006 and declined by 386 FTES, or 12.2%, of total enrollment, from fiscal 2010 to 2013. In response to this, CSU has implemented a staff hiring freeze. Enrollment in the fiscal 2015 allowance is expected to stay level at the fiscal 2013 enrollment of 2,773 FTES.

CSU has a history of planning for or building large facilities that are underutilized. For example, the Coppin Special Review Committee noted CSU has a new residence hall in its capital master plan, but that the current hall had 60 vacancies in spring 2013. In addition, the new Science and Technology Center (STC), funded for completion in the fiscal 2015 budget, will provide class laboratory and office space that CSU expects will meet projected expansion of Science, Technology, Engineering, and Mathematics (STEM) programs. While CSU markets STC's STEM focus as part of an effort to increase student enrollment, encouraging additional enrollment was also a goal of the HHSB and PEC projects. The inability of large State capital projects to stem the loss of FTES raises concerns over CSU's future plans, discussed later in this analysis, to enlarge another campus facility, the Percy Julian Science and Art Building (PJSAB). The Special Review Committee notes the campus is underenrolled by 2,000 students, meaning the campus is actually built for about 6,000 students. The Special Review Committee also noted CSU averages 288 gross square foot (GSF) per FTES, compared to a USM average of 199 GSF, 45% higher than the average. Finally, CSU is expanding its offerings in online education, which decreases the amount of physical space needed for students and further leads to an expected surplus of space per student on campus.

**Given that CSU is now only 5 FTES above its fiscal 2000 enrollment and that the State has funded construction of three large facilities on campus, the President should comment on why CSU expects space deficiencies in fiscal 2022 in any category.**

## ***Budget Overview***

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### **New Science and Technology Center**

The STC project will construct a new 74,185 NASF/134,882 GSF academic building to support the Department of Natural Sciences, the Department of Mathematics and Computer Science, and the Information Technology Division. The new facility will contain faculty and staff offices, computerized laboratories, networking hardware and software systems, classrooms, class laboratories, conference areas, meeting rooms, and support areas. It will also provide space for technology, a data center, a security station, utility closets, and workshop areas, as well as a satellite central utilities building. The facility continues the university's campus extension south of North Avenue near HHSB. The fiscal 2015 budget programs \$10.3 million to finish construction and to equip the facility. Of that amount, \$7.8 million is for construction and \$2.5 million for equipment. The fiscal 2014 budget provided \$44.4 million for construction, while the 2013 budget funded land acquisition and initial construction. About \$6.0 million in funding had been deferred from fiscal 2014 to 2015 to reflect the cash flow needs of the project in fiscal 2014.

While the 2014 *Capital Improvement Program* (CIP) has total costs at \$126.02 million, the 2013 CIP had total costs at \$121.74 million. The increase of \$4.28 million, or 3.5%, is primarily due to two developments on site. First, soil was determined to be much rockier than anticipated, which increases both time and cost for the project. Second, a water main break during construction dampened the soil and made it difficult to continue construction. The damp soil had to be removed. The source of the leak is under investigation by Baltimore City.

The Department of Natural Sciences is located in PJSAB. The original building was built in 1967 and renovated in 1991 and provides 29,677 NASF that supports the Department of Natural Sciences with class and research laboratories, a science exhibit gallery, animal facilities, a greenhouse, and offices. A complete functionality assessment was done for PJSAB in February 2004 which concluded that PJSAB does not offer a science facility that meets current standards for science education laboratories.

STC will meet those standards and consolidate science-related disciplines; provide upgraded and specialized facilities to support current teaching methods; and address space deficiencies and issues of inadequate space. The new facility will be comprised of 30,150 NASF of classroom laboratory space, or 40.6% of the building's total space; 19,425 NASF of office space, or 26.2%; and 4,440 NASF of research space, or 6.0%. Remaining square footage will be used for classrooms, open laboratories, study space, a greenhouse, animal facilities, a computer, a lounge, and exhibit spaces. Classes should begin in the facility in fall 2015.

## **Pedestrian Bridge Improvements**

HHSB was completed in fiscal 2009 and greatly expanded CSU's classrooms and meeting rooms. As HHSB was constructed on the south side of the busy North Avenue, a pedestrian bridge was built connecting the second floor of HHSB to a parking lot on the main campus on the other side of North Avenue. Although CSU planned to build a parking garage on the other end of the bridge, CSU failed to find a contractor that fit its cost estimates, so no garage was built. CSU had to seek State funding in fiscal 2014 to finish the project at a cost of \$1.8 million. Currently, the project is in the design stage, and construction is expected to be finished in July 2015.

## ***Operating Budget Impact Statement***

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### **Executive’s Operating Budget Impact Statement (\$ in Millions)**

	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>
<b>New Science and Technology Center</b>					
Estimated Operating Cost	\$1.050	\$2.776	\$2.810	\$2.845	\$2.881
Estimated Staffing	3	3	3	3	3

Overall, the facility has an expected operating budget cost of over \$1.0 million in fiscal 2015 that rises to \$2.8 million, beginning in fiscal 2016, due to general costs for fuel and utilities, supplies and materials, and amortized equipment. Whereas the 2013 CIP had 20 new regular positions related to the facility, the 2014 CIP only includes 4 positions. While the STC project is a State commitment identified in the State’s partnership agreement with the Office for Civil Rights, the Department of Legislative Services remains concerned about CSU’s ability to support the annual operating costs associated with another major building on campus, particularly in light of the impact that the cost of operating new facilities has had in recent years on core services, such as instruction and student support. Over the past decade, CSU only balanced its operating budget through auxiliary revenue, and the institution has a very low fund balance. This gives CSU little flexibility in adapting to a large expansion of its campus infrastructure. This raises concerns over how CSU will staff and operate STC, especially given an ongoing hiring freeze at CSU. The institution reports that due to long-standing vacancies in 25 to 35 positions, CSU can capture up to \$2.5 million per year that can be used to operate STC.

**The President should comment on how CSU will fill positions related to STC and, given current student enrollment, what capacity STC will be operating at when opened.**

## ***Summary of Other Projects in the Capital Improvement Program***

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Whereas the 2013 CIP included \$0.9 million in fiscal 2015 to design renovations to PJSAB, which will be vacated upon the completion of STC, the 2014 CIP programs \$1.3 million in design funding to begin in fiscal 2017. The vacated space in PJSAB will be transformed into the Percy Julian College of Business. CSU states this project will address critical needs by redesigning instructional and office spaces in the building and by bringing such spaces up to current academic standards and building codes. While the 2013 CIP budgeted the total cost at \$30.8 million by fiscal 2018, the 2014 CIP has the total cost at \$40.25 million, with the project finishing sometime after the 2014 CIP four-year planning period. The increase in cost is related to an increase in scope,

as CSU would now like to add 6,545 NASF to the building. Given prior discussion over the university’s overall declining enrollment, expanding PJSAB raises issues over who is expected to use the enlarged facility.

**Given that PJSAB is not mentioned as a priority in CSU’s Special Review Committee Report and that the campus is severely underenrolled, the President should comment on why PJSAB’s NASF should be expanded.**

### **Project Deferred in Fiscal 2015**

**Exhibit 2** provides information regarding the PJSAB project deferral in fiscal 2015.

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**Exhibit 2  
Project Deferred  
Fiscal 2015**

<i><b>Project</b></i>	<i><b>Description</b></i>	<i><b>Reason for Deferral</b></i>
Percy Julian Science and Art Building	Renovation of space that will be vacated after completion of the New Science and Technology Center.	Other institutional priorities.

Source: Department of Budget and Management, Fiscal 2015 *Capital Improvement Program*

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## ***GO Bond Recommended Actions***

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1. Approve the \$10.3 million in general obligation bonds for the construction and equipping of the New Science and Technology Center on the campus of Coppin State University.