

R30B27
Coppin State University
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$42,728	\$45,001	\$44,825	-\$176	-0.4%
Adjustments	0	241	-99	-340	
Adjusted General Fund	\$42,728	\$45,242	\$44,727	-\$515	-1.1%
Special Funds	2,027	2,207	2,027	-180	-8.2%
Adjustments	0	-129	0	129	
Adjusted Special Fund	\$2,027	\$2,078	\$2,027	-\$51	-2.5%
Other Unrestricted Funds	25,087	27,733	28,261	528	1.9%
Adjusted Other Unrestricted Fund	\$25,087	\$27,733	\$28,261	\$528	1.9%
Total Unrestricted Funds	69,842	74,941	75,113	172	0.2%
Adjustments	0	112	-99	-211	
Adjusted Total Unrestricted Funds	\$69,842	\$75,053	\$75,014	-\$39	-0.1%
Restricted Funds	14,411	18,000	18,000	0	
Adjusted Restricted Fund	\$14,411	\$18,000	\$18,000	\$0	0.0%
Adjusted Grand Total	\$84,254	\$93,053	\$93,014	-\$39	0.0%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- A fiscal 2017 deficiency appropriation is provided to the University System of Maryland Office (USMO) to partially offset the November 2016 Board of Public Works cost containment action, of which Coppin State University's (CSU) share is \$0.1 million. A fiscal 2017 deficiency appropriation is also provided to offset the underattainment of Higher Education Investment Fund (HEIF) revenues, of which CSU's share is estimated to be \$0.1 million.
- The general fund decreases 1.1%, or \$0.5 million, in fiscal 2018 after adjusting for an across-the-board contingent pension reduction. However, when accounting for an anticipated transfer from the Maryland Higher Education Commission (MHEC) in fiscal 2018, the general fund increases 0.3%, or \$0.1 million.
- The HEIF decreases 2.5%, or \$50,996, after adjusting for a \$0.1 million shortfall in fiscal 2017.

Note: Numbers may not sum to total due to rounding.

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- When including funds to be transferred from MHEC, overall growth in State funds between fiscal 2017 and 2018 is 0.2%, or \$79,110.

Personnel Data

	<u>FY 16 Actual</u>	<u>FY 17 Working</u>	<u>FY 18 Allowance</u>	<u>FY 17-18 Change</u>
Regular Positions	442.00	440.00	440.00	0.00
Contractual FTEs	<u>146.00</u>	<u>152.17</u>	<u>156.31</u>	<u>4.14</u>
Total Personnel	588.00	592.17	596.31	4.14

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.05	0.47%
Positions and Percentage Vacant as of 12/31/16	52.00	11.82%

- The fiscal 2018 allowance does not provide any new regular positions. However, the University System of Maryland institutions have personnel autonomy and may create new positions during the fiscal year. In fiscal 2017 year-to-date, there are 2.0 fewer regular positions than in the original appropriation.
- As of the end of December 2016, CSU had 52.0 vacant positions, 50.0 more than what is needed to meet budgeted turnover. Of the total number of positions, 415.5 are State supported, of which 48.0, or 11.55%, are vacant. Non-State supported positions totaled 24.5, of which 4.0, or 16.33%, were vacant.

Analysis in Brief

Major Trends

Enrollment: Total undergraduate enrollment declined 6.0%, or 161 students, in fall 2016. Declines in transfer students (103) and continuing students (198) were partially offset by an increase in first-time students (140). CSU implemented several strategies to increase the enrollment of first-time students, which appear to be successful. The enrollment of first-time students totaled 403, the highest since fall 2012 when enrollment totaled 484 students.

Student Performance: The second-year retention rate for the 2013 cohort increased 6.8 percentage points to 68.2% and continued to improve to 69.3% with the 2014 cohort. The six-year graduation rate for the past three fiscal year cohorts steadily improved from 24.0% with the 2008 cohort to the highest rate of 32.0% with the 2011 cohort.

Issues

Pass Rate on Nursing Licensure Exam: In fiscal 2014, the Maryland Board of Nursing placed CSU's program on a warning status for not meeting the Maryland required first-time passing rate for students taking the nursing licensure exam for registered nurses. In fiscal 2016, CSU's pass rate exceeded the required Maryland pass rate, and the warning status was removed. However, the pass rate falls below the accreditation standard.

Meeting College Expenses: Since fiscal 2011, when expenditures on institutional financial aid fell \$2.1 million due to the failure to disburse most of the need-based aid, spending has increased 47.3%, or \$1.0 million, by fiscal 2016. In fiscal 2016, USMO agreed to reimburse CSU up to an additional \$400,000 of student aid beyond its budgeted amount for the year.

Recommended Actions

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

R30B27
Coppin State University
University System of Maryland

Operating Budget Analysis

Program Description

Coppin State University (CSU) is a comprehensive, urban institution offering programs in nursing, humanities, education, and 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 a 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 L: Master's Colleges and Universities (Smaller Programs)

Fall 2016 Undergraduate Enrollment Headcount

Male	589
Female	1,918
Total	2,507

Fall 2016 Graduate Enrollment Headcount

Male	110
Female	322
Total	432

Fall 2016 New Students Headcount

First-time	403
Transfers/Others	2,104
Graduate	432
Total	2,939

Campus (Main Campus)

Acres	65.5
Buildings	13
Average Age	26 years
Oldest	Frances Murphy Center – 1961

Programs

Bachelor's	32
Master's	11
Doctoral	1

Degrees Awarded (2015-2016)

Bachelor's	465
Master's	77
Doctoral	0
Total Degrees	542

Proposed Fiscal 2018 In-state Tuition and Fees*

Undergraduate Tuition	\$4,468
Mandatory Fees	\$2,068

*Contingent on Board of Regents approval.

Performance Measures

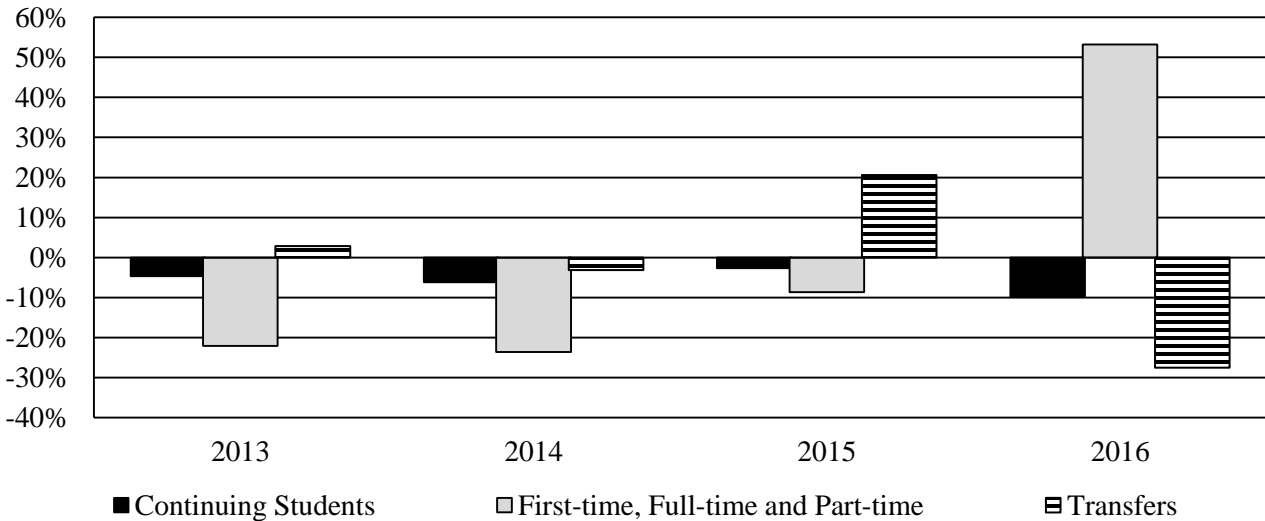
1. Enrollment

Total undergraduate enrollment declined 6.0%, or 161 students, in fall 2016. Declines in transfer students of 27.5% (103) and continuing students of 9.8% (198) were partially offset by a 53.2% (140) increase in first-time students, as shown in **Exhibit 1**. CSU implemented several strategies to increase the enrollment of first-time students, which appear to be successful. The enrollment of first-time students totaled 403, the highest since fall 2012 when enrollment totaled 484 students. Strategies to increase enrollment included:

- Consolidation of enrollment management and student affairs under a new vice president in August 2016, who created an enrollment management triage service, using student affairs staff as front line screeners, and reorganized staff assignments within the Office of Admissions. CSU plans to leverage scholarship funds in the spring to yield higher achieving students prior to the start of the fall semester and assign admission counselors to defined territories for better oversight and accountability.
- Hiring Royall Inc., in May 2016, an enrollment management firm, to assist with recruitment and matriculation that helped with the followup of student applications.
- Establishing a university call center that was staffed with volunteers from across the campus. All applicants who made inquiries were contacted and made aware of any outstanding items with their admissions applications and directed to appropriate support services for additional information.
- Developing an executive dashboard to track enrollment data on a daily basis. This was used to monitor enrollment progress, make decisions, modify strategies, change procedures, and tweak policies.

The decline in transfer students is related to a one-time influx of 70 students in fall 2015 who transferred to CSU upon the closing of Sojourner Douglas College. If these students are excluded, the number of transfers decline by 33 students in fall 2016. **The President should comment on what efforts are being taken to increase the enrollment of transfer students.**

**Exhibit 1
Percentage Change in Undergraduate Headcount Enrollment
Fall 2013-2016**



Source: University System of Maryland

Retaining students is a continuing challenge, with enrollment of continuing students declining 23.2% (390 students) from fall 2013 to 2016. According to CSU, it faces a unique challenge with its student population in that a large number are from low-income families with varying levels of academic preparation and face life challenges that make continuous enrollment difficult. CSU is employing data-supported approaches, such as analytics, to develop strategies that address the needs of these students. In addition, financial aid rules greatly affect retention, as many CSU students have exceeded the number of semesters that qualify them for federal financial aid and/or do not maintain an adequate GPA in order to receive financial aid.

CSU has implemented several initiatives to increase the retention of students:

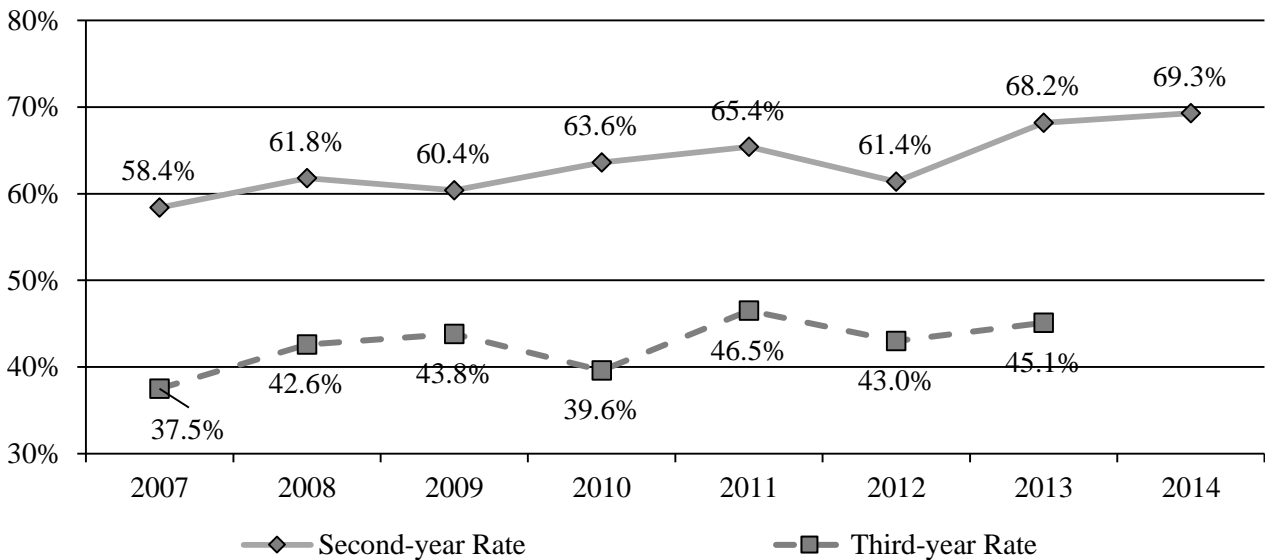
- Partnering with BridgeEdU that provides support to low-income, first-year students who may require additional support in transitioning to college, including academic support to strengthen math and communication skills, personal coaching, mentoring and other high-touch interventions to help explain the financial and social aspects of college life.
- Using predictive analytics to identify policies and practices that have led to student success.
- Implementing an intrusive academic advising system in which faculty meet regularly with students to make sure they are making progress toward their degree.

- Establishing the Our House community mentoring program in which faculty, staff, and peers mentor over 150 incoming students, supporting their academic and career goals and social development. Results from the first two years show a 5% to 10% increase in the second-year retention rate compared to the general student population.

2. Student Performance

Student persistence, or retention, provides a measure of student progress and an indication of an institution’s performance. The higher the retention rate, the more likely students will persist and graduate. As students are most likely to drop out during their first year, the second-year retention rate provides an indication if interventions are working or if further investigation is needed to identify areas of improvement. Aside from the 2012 cohort, there appears to be a continuing upward trend in the retention rate, up to 69.3% for the fiscal 2014 cohort, as shown in **Exhibit 2**. CSU attributes the improvement in the retention rate to a variety of programs and best practices implemented over the last five years in addition to those mentioned previously, such as the Summer Academic Success Academy, various mentoring initiatives, and the First-year Experience.

Exhibit 2
Second- and Third-year Retention Rates
First-time, Full-time 2007-2014 Cohorts



Note: Percentages represent first-time, full-time students who remained enrolled at the same institution in the subsequent fall semesters.

Source: Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Four-year Institutions

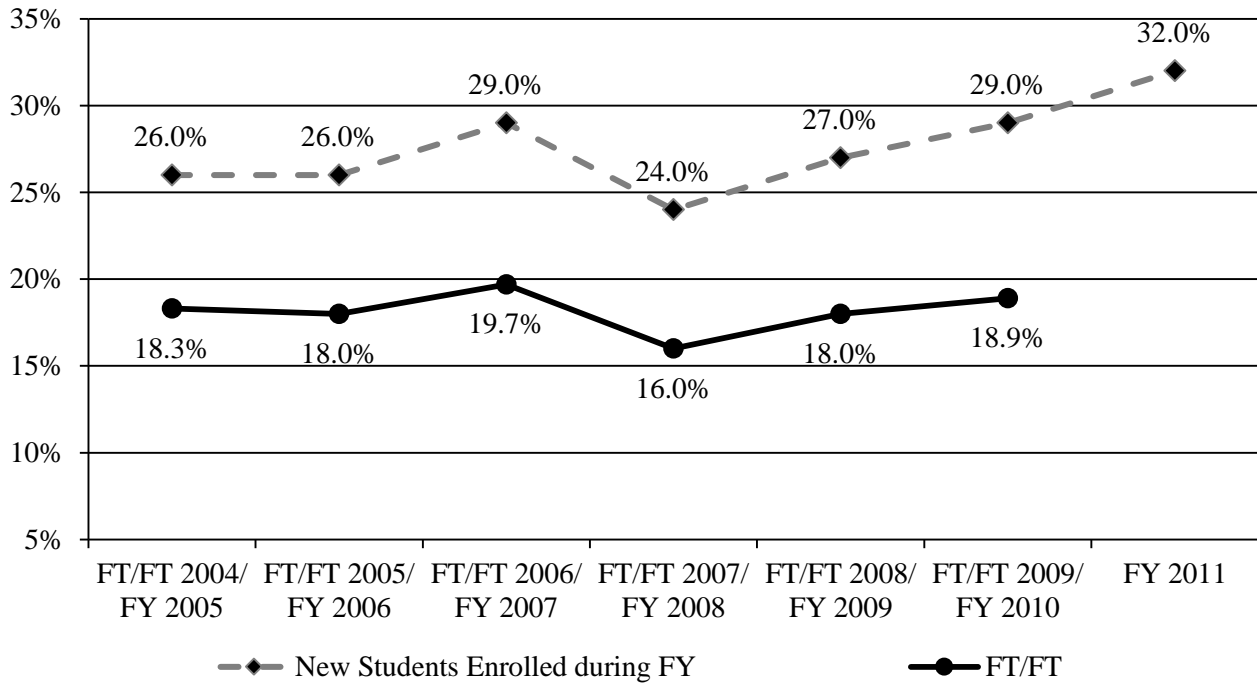
With a couple of exceptions, the third-year rate generally mirrors that of the second-year rate. Broadly speaking, there is a 20 percentage point gap in the retention of students between the second- and third-year, implying more needs to be done to retain students past their sophomore year.

Completion rates are greatly influenced by time – the longer it takes a student to graduate, the more likely (s)he will dropout as other priorities compete with classes. Longer completion times translate into increased costs, not only for the student, but the institution and State as well. According to the *Report on the Instructional Workload of the USM Faculty*, the average time to degree for CSU students graduating in 2016 was 5.9 years, slightly up from 5.8 years in 2015.

Traditional student progress measures, such as those reported by the Maryland Higher Education Commission (MHEC) and the federal government, only track the success of the “traditional” first-time, full-time (FT/FT) student – those enrolled at an institution at the start of the academic year and continuously enrolled as a full-time student until completion. These measures do not include part-time students, transfer students, those who enroll in the spring, those who changed enrollment status, or those who stopped-out, thereby providing only a partial picture of an institution’s performance. The University System of Maryland (USM) revised the graduation measure to include these students by defining the cohort as all new degree-seeking students who enrolled during the fiscal year.

Exhibit 3 compares the traditional FT/FT six-year graduation rate to a more inclusive graduation rate based on all new students enrolled at CSU during the fiscal year. The graduation rate for the fiscal year cohort is consistently higher than that for the FT/FT cohorts with an average difference of 8.4 percentage points between the two rates. This is due to CSU having a higher portion of part-time and transfer students who do better than FT/FT students. The rate for the past three fiscal year cohorts steadily improved from 24.0% with the 2008 cohort to the highest rate of 32.0% with the 2011 cohort. After declining to a low of 16.0% with the 2007 FT/FT cohort, the rate improved to 18.9% with the 2009 FT/FT cohort.

**Exhibit 3
Comparison of Six-year Graduation Rates
Various Cohorts**



FT/FT: first-time, full-time
FY: fiscal year

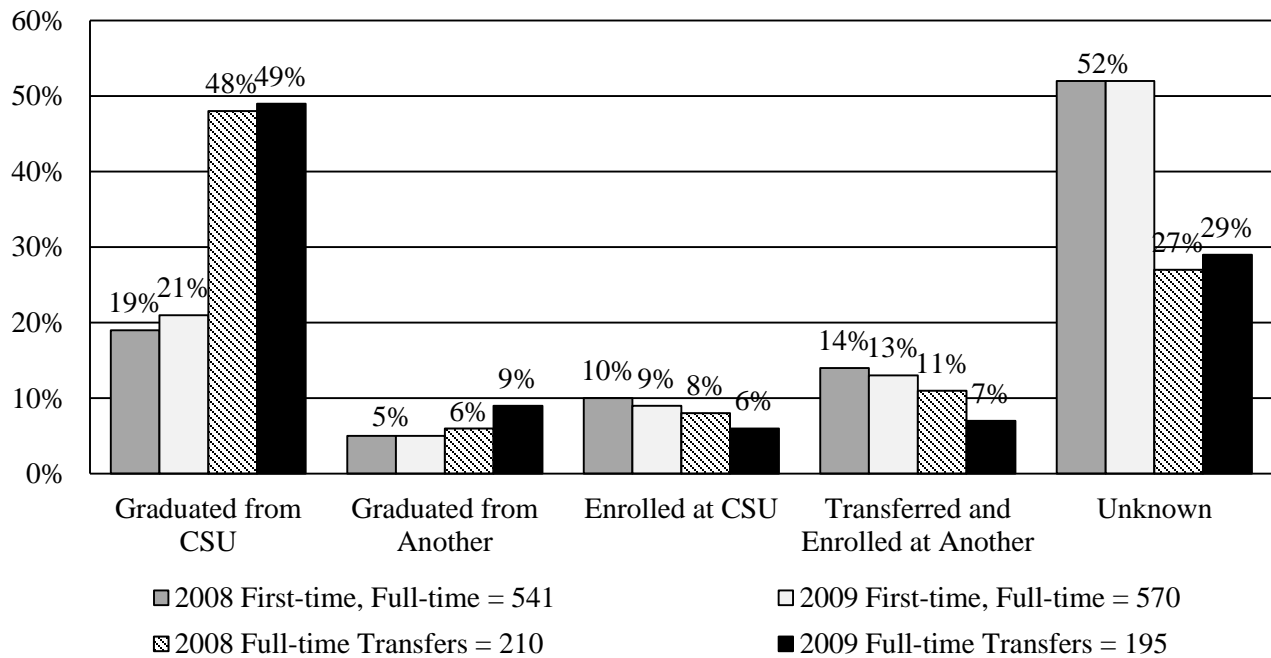
Note: Percentages include FT/FT students who persisted at and graduated from the institution they initially enrolled in and those who transferred and graduated from any Maryland public or private four-year institution. Fiscal year cohorts include all degree-seeking students (FT/FT, part-time, and transfers) who enrolled in the fiscal year.

Source: Maryland Higher Education Commission; University System of Maryland

While the previous six-year graduation rate provides a more accurate picture, it does not capture a comprehensive picture of student progress or persistence toward earning a degree. To help improve reporting on student persistence, the Student Achievement Measure (SAM) was created to include more students, including those who enroll in multiple institutions during their academic career. SAM is a voluntary reporting system that tracks the progress of FT/FT and full-time transfer students throughout their college careers. Transfer students achieve greater success than FT/FT students with 49% of the 2009 cohort graduating within six years of enrolling at CSU compared to 21% of the FT/FT students, as shown in **Exhibit 4**. The status is not known for 52% of the 2009 FT/FT students and 29% of the transfer students. In addition, within six years of enrolling at CSU, almost a quarter of the FT/FT students are still enrolled at either CSU or another institution. **The President should comment on**

whether CSU follows up with students who leave to determine reasons why they stopped- or dropped-out, and what can be done to encourage them to earn a degree.

Exhibit 4
Status of First-time, Full-time and Full-time Transfers
Seeking a Bachelor’s Degree within Six Years
Fall 2008 and 2009 Cohort

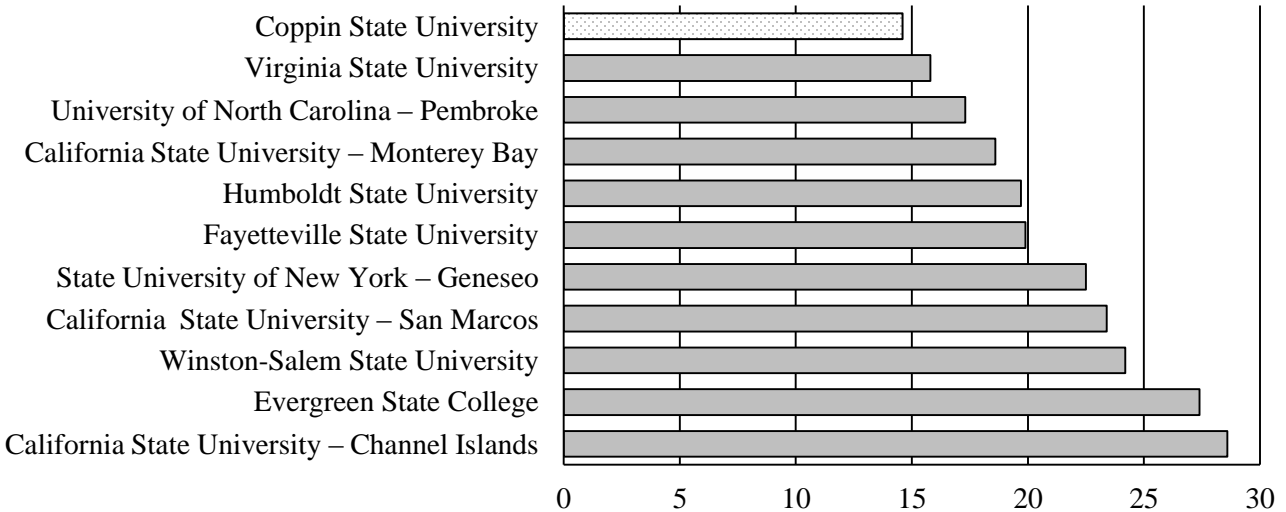


CSU: Coppin State University

Source: Student Achievement Measures

Ultimately, how well an institution meets its academic mission is measured by the number of undergraduate degrees awarded. The number of undergraduate degrees awarded per 100 full-time equivalent students (FTES) shows how effectively institutions turn degree seekers into degree holders. **Exhibit 5** compares the three-year average of CSU’s ratio to that of its peers. Peer institutions are those used to benchmark CSU’s performance in USM Dashboard Indicators. Depending on the institution, the optimal value is 25.0 but would be higher for those who mainly offer upper-division programs or have a relatively high number of transfer students. Overall, CSU, at 14.6 degrees, has the lowest completion ratio of its peers.

Exhibit 5
Comparison of Three-year Average of Undergraduate Degrees
Per 100 FTES to Performance Peers
Calendar 2011-2013



FTES: full-time equivalent student

Source: Chronicle of Higher Education, College Completion

Fiscal 2016 Actions

Cost Containment and Proposed Deficiency

The November 2016 Board of Public Works cost containment action resulted in a 1.3%, or \$0.6 million, reduction in CSU’s appropriation, of which \$0.5 million was met by reducing spending on contractual services. The remaining \$0.1 million was to be offset by a transfer from the Higher Education Investment Fund (HEIF) fund balance. However, due to insufficient HEIF funds, a fiscal 2017 deficiency provides the University System of Maryland Office (USMO) with \$4.1 million in general funds to cover the offset at all USM institutions. A second fiscal 2017 deficiency provides \$4.7 million to USM to offset a decline in the HEIF. CSU’s share is estimated to be \$0.1 million.

Proposed Budget

As shown in **Exhibit 6**, the general fund allowance for fiscal 2018 is 0.3%, or \$0.1 million, higher than fiscal 2017 after adjusting for the fiscal 2017 deficiencies, the across-the-board contingent

pension reduction, and the anticipated transfer of the Office for Civil Rights enhancement funds from MHEC in fiscal 2018. The HEIF declines 2.5%, or \$50,996, after adjusting for the fiscal 2017 deficiency. Overall, State funding increases 0.2%, or \$79,110, to \$47.4 million in fiscal 2018. Other current unrestricted funds grow 1.9%, or \$0.5 million, primarily due to tuition and fee revenues increasing \$0.4 million.

Exhibit 6
Proposed Budget
Coppin State University
(\$ in Thousands)

	FY 16	FY 17	FY 18	FY 17-18	% Change
	<u>Actual</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$42,728	\$44,352	\$44,825		
Deficiencies		241			
Across-the-board			-99		
Transfers from MHEC ¹		650	646		
Total General Funds	42,728	45,242	45,372	\$130	0.3%
HEIF	2,027	2,207	2,027		
Deficiencies		-129			
Total HEIF	2,027	2,078	2,027	-51	-2.5%
Total State Funds	44,755	47,320	47,399	79	0.2%
Other Unrestricted Funds	25,087	27,733	28,261	528	1.9%
Total Unrestricted Funds	69,842	75,053	75,660	607	0.8%
Restricted Funds	14,411	18,000	18,000	0	0.0%
Total Funds	\$84,254	\$93,053	\$93,660	\$607	0.7%

HEIF: Higher Education Investment Fund
MHEC: Maryland Higher Education Commission

¹ Transfers in fiscal 2017 and anticipated transfers in fiscal 2018 of the Office for Civil Rights enhancement funds from the Maryland Higher Education Commission.

Note: Fiscal 2017 general funds and the HEIF are adjusted to reflect deficiencies, and fiscal 2018 general funds are adjusted to reflect the across-the-board reduction.

Source: Governor’s Budget Books, Fiscal 2018; Department of Legislative Services

The fiscal 2018 budget bill also includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the

close of the fiscal year. CSU's share of the reduction is \$98,793 in general funds. This action is also tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Budget changes by program area in the allowance are shown in **Exhibit 7**. This data includes unrestricted funds only, the majority of which consist of general funds, the HEIF, and tuition and fee revenues. Education and general (E&G) increased 9.2%, or \$5.4 million, in fiscal 2017. Spending on operations and maintenance of plant grows at the highest rate of 24.0%, or \$2.8 million, due to debt service costs for equipment lease agreements (\$1.7 million), contractual services (\$0.7 million), fuel and utilities (\$0.3 million), and personnel costs (\$0.1 million). Expenditures on instruction increase 7.5%, or \$1.4 million, mainly due to the addition of 7 full-time faculty and filling faculty vacancies with new faculty at higher salaries (\$1.1 million), contractual services (\$0.5 million), and materials and supplies (\$0.2 million). These increases are partly offset by decreased spending on equipment (\$0.3 million) and adjunct faculty (\$0.1 million). Institutional support grows 7.8%, or \$1.1 million, primarily due to personnel costs (\$1.4 million) and various other costs, such as contractual services, equipment replacement, and communications (\$0.2 million) that were partially offset by reductions in various fixed charges (\$0.4 million) and a transfer to plant fund (\$0.1 million). The \$0.2 million decline in scholarships is due to other funds being used for scholarship awards.

Exhibit 7
Budget Changes for Unrestricted Funds by Program
Coppin State University
Fiscal 2016-2018
(\$ in Thousands)

	<u>FY 2016</u>	<u>Adjusted Working FY 2017</u>	<u>% Change FY 16-17</u>	<u>Adjusted 2018</u>	<u>\$ Change FY 17-18</u>	<u>% Change FY 17-18</u>
Expenditures						
Instruction	\$18,605	\$19,998	7.5%	\$20,493	\$495	2.5%
Academic Support	6,785	6,792	0.1%	7,100	308	4.5%
Student Services	4,420	4,582	3.7%	4,545	-37	-0.8%
Institutional Support	14,226	15,341	7.8%	15,345	4	0.0%
Operation and Maintenance of Plant	11,484	14,242	24.0%	13,335	-908	-6.4%
Scholarships and Fellowships	3,011	2,860	-5.0%	2,994	134	4.7%
Deficiency		112				
Across-the-board Reductions				-99		
Transfer from MHEC				646	646	
Subtotal Education and General	\$58,531	\$63,927	9.2%	\$64,358	\$431	0.7%
Auxiliary Enterprises	11,311	11,126	-1.6%	11,302	176	1.6%
Total	\$69,842	\$75,053	7.5%	\$75,660	\$607	0.8%
Revenues						
Tuition and Fees	15,932	16,470	3.4%	16,884	414	2.5%
General Funds	42,728	45,113	5.6%	45,372	259	0.6%
Higher Education Investment Fund	2,027	2,078	2.5%	2,027	-51	-2.5%
Other Unrestricted Funds	269	383	42.4%	375	-7,804	-2.0%
Subtotal	\$60,956	\$64,045	5.1%	\$64,659	\$614	1.0%
Auxiliary Enterprises	11,632	12,213	5.0%	12,228	14	0.1%
Transfers to/from Fund Balance	-2,746	-1,205		-1,227		
Total	\$69,842	\$75,053	7.5%	\$75,660	\$607	0.8%

MHEC: Maryland Higher Education Commission

Note: Fiscal 2017 general funds and Higher Education Investment funds reflect \$0.2 million and \$0.1 million deficiencies, respectively. Fiscal 2018 general funds are adjusted to reflect a \$98,793 across-the-board reduction and a \$0.6 million anticipated transfer of the Office for Civil Rights enhancement funds from the Maryland Higher Education Commission.

Source: Governor's Budget Books, Fiscal 2018; Department of Legislative Services

E&G expenditures increase 0.7%, or \$0.4 million, in fiscal 2018. It should be noted that it is not known how the \$0.6 million anticipated transfer of the Office for Civil Rights enhancement funds from MHEC will be allocated among the program areas. Growth of 4.5%, or \$0.3 million, in academic support is related to covering the full costs of major contracts with an inflationary factor (\$0.2 million) and contractual personnel (\$0.1 million). Instruction increases 2.5%, or \$0.5 million, due the addition of 7 full-time faculty (\$0.4 million) and aligning technical fees with fiscal 2016 actuals (\$0.1 million). The decline of \$0.9 million, or 6.4%, in operation and maintenance of plant is due to aligning contractual services and materials and supplies with fiscal 2016 actual expenditures (\$0.5 million), decreases in fuel and utilities (\$0.2 million), and decreases in other expenditures such as debt service payments (\$0.2 million). Spending on student services decreases 0.8%, or \$36,586, mainly due to a reduction in contractual staff.

In previous years, CSU used a combination of surplus auxiliary revenues and the fund balance to cover persistent shortfalls in E&G revenues. Since auxiliary enterprises are self-supporting, they typically generate a profit, which is generally transferred to the fund balance to be used to fund future projects such as renovations of auxiliary-related facilities. In times when E&G revenues may not cover academic-related expenses, institutions will use excess auxiliary revenues to help offset shortfalls. Auxiliary revenues were used to cover shortfalls in E&G expenditures in fiscal 2008 and 2010 through 2015.

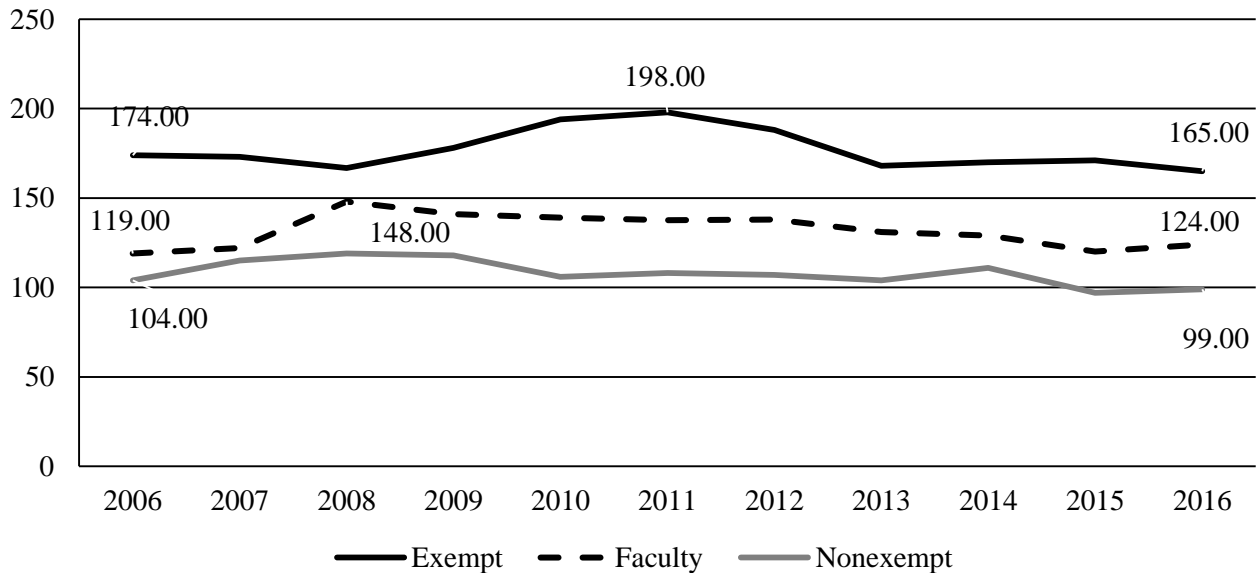
Various measures were taken to right size the institution: in fiscal 2015, 14 staff were laid off and 19 long-term, nonfunded vacant positions were eliminated; and in fiscal 2016, 23 filled positions were eliminated and 15 long-term, nonfunded positions were abolished. CSU is monitoring revenue collection and controlling spending, monitoring and staggering the filling of positions, reorganizing various departments, maintaining a high vacancy rate for State-supported positions (11.6% in fiscal 2017, for example), and eliminating unneeded positions. These measures appear to be working. There was a surplus of \$2.5 million in E&G revenues in fiscal 2016 and \$0.1 million in fiscal 2017. It is estimated that the surplus in fiscal 2018 will be \$0.3 million.

It should be noted, CSU has two internal loans: (1) a loan from its plant fund related to the renovation of the Frances Murphy Research facility and an upgrade of the quad in front of the library, in which the remaining balance will be paid back by fiscal 2021; and (2) USMO lent CSU \$750,000 so they could participate in the quasi-endowment fund in which the funds are used for fund advancement initiatives with the agreement that CSU would reimburse USMO once enrollment returned to more “historical” levels, and that CSU would pay back USMO within five years.

Trends in Personnel

Over the past 10 years, the total number of filled positions declined 2.3% (9 full-time equivalents (FTEs)) with exempt positions decreasing 5.2% (9 FTEs), as shown in **Exhibit 8**. The number of filled faculty positions steadily declined from 148 FTEs in 2008 to 120 FTEs in 2015 but increased by 4 FTEs in 2016.

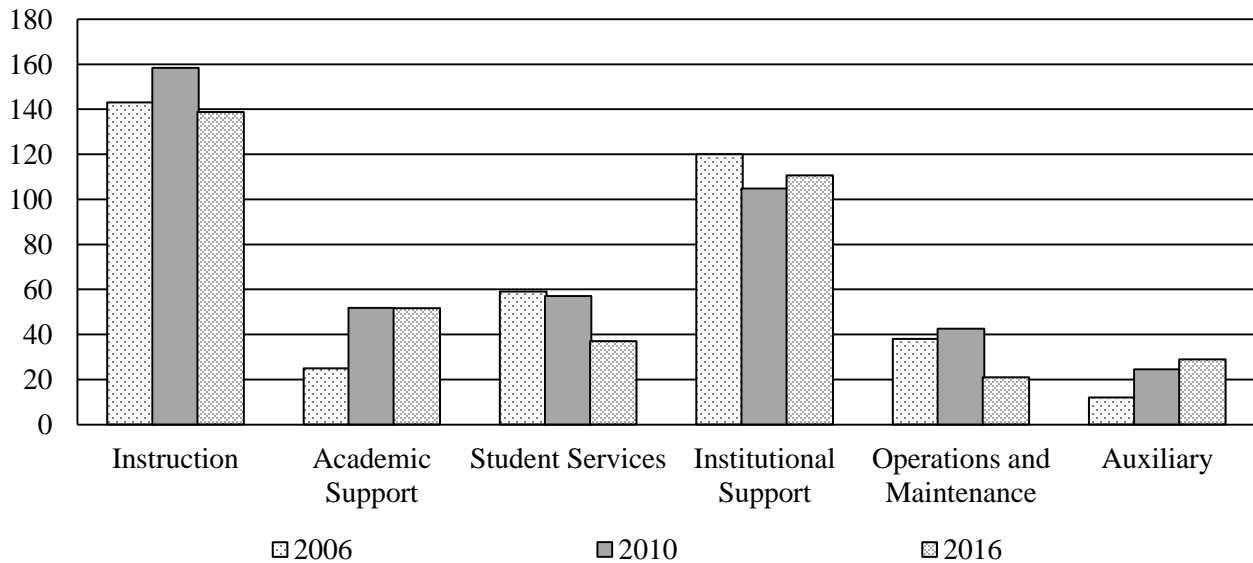
Exhibit 8
Total Filled Positions by Classification
Fiscal 2006-2016



Source: Coppin State University

Exhibit 9 shows changes in the number of filled positions by program area, excluding research and public service, before (2006), during (2010), and after the most recent recession (2016). Between 2006 and 2010, the total positions increased 10.6% (42 FTEs) with the number of positions in academic support and auxiliary more than doubling. However, the number of filled institutional support positions decreased by 15.1 FTEs. Considering that enrollment declined 4.0% during this time, it highlights the problems that led to CSU’s financial difficulties. In 2012, with a change in management and the appointment of a special review committee, the number of positions declined as management worked to “right size” the institution. Between 2010 and 2016, the total number of filled positions decreased by 11.6% (51.0 FTEs) with operations and maintenance of plant experiencing the largest decline of 50.6% (21.5 FTEs). However, positions increased in auxiliary and institutional support. The 18.2% (4.5 FTEs) increase in auxiliary is unexpected given enrollment dropped 23.8% during this time.

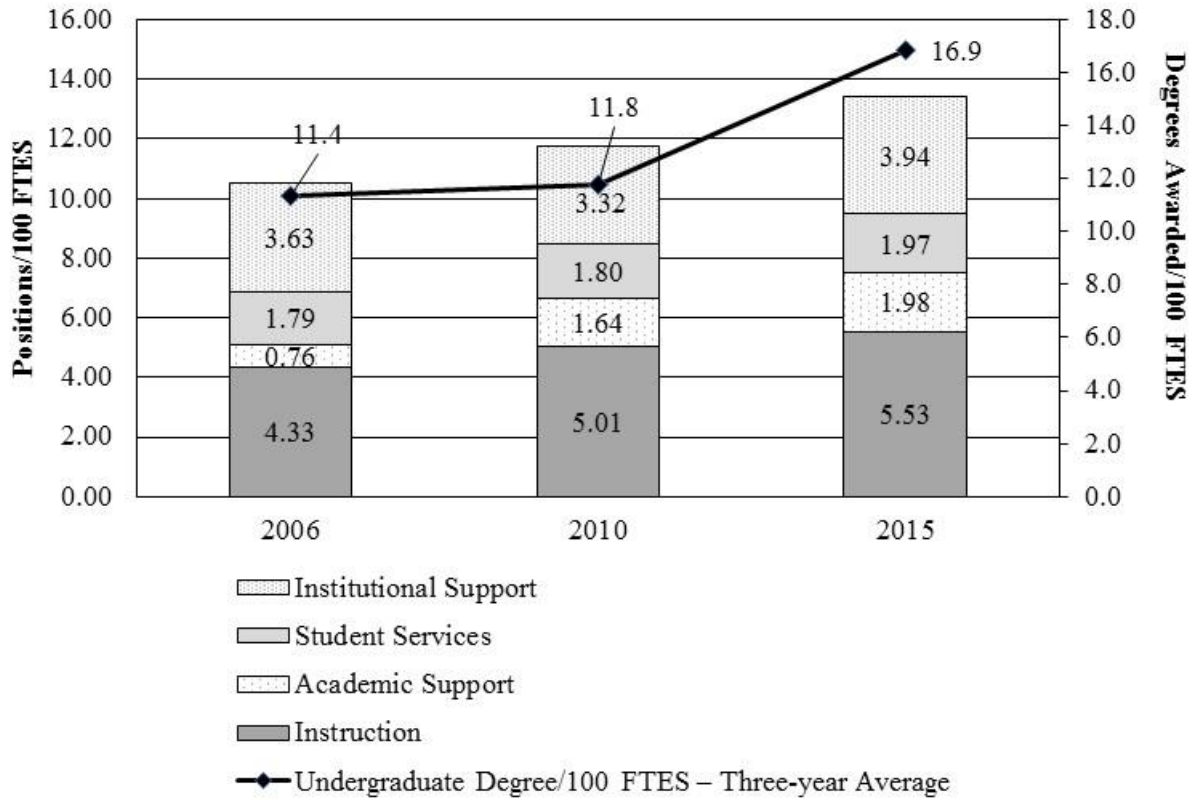
Exhibit 9
Filled Positions by Program Area
October 2006, 2010, and 2016



Source: Coppin State University

Exhibit 10 considers the impact positions have on an institution’s performance by comparing the number of filled positions related to the academic enterprise on a per 100 undergraduate FTES basis to the number of undergraduate degrees awarded per 100 undergraduate FTES. Given the continuing enrollment decline, positions per FTES increased throughout the years from a total of 10.5 per 100 FTES in 2006 to 13.4 per 100 FTES in 2015. During this time period, degrees per 100 FTES improved from 11.4 to 16.9 degrees, which may be attributable to more resources being available to help students succeed.

Exhibit 10
Academic-related Positions Per 100 Undergraduate FTES Compared to
Undergraduate Degrees Per 100 Undergraduate FTES
2006, 2010, and 2015



FTES: full-time equivalent student

Source: Coppin State University; Integrated Postsecondary Education System; Department of Legislative Services

Issues

1. Pass Rate on Nursing Licensure Exam

More students declare nursing as a major than any other offered at CSU. As shown in **Exhibit 11**, enrollment consistently exceeds 700 students, except in fiscal 2014. According to CSU, in any given year, over 300 students may be interested in completing the Bachelor of Science in Nursing (BSN) program, but the program is limited to 80 seats per year, resulting in approximately 220 students who completed the prerequisite coursework but did not gain entry to the program. This is one factor contributing to the continuing enrollment decline, and CSU is developing other programmatic options for these students. CSU awarded 136 BSN degrees in 2014, but the number fell to 65 degrees in 2016.

Exhibit 11
Undergraduate Nursing Enrollment
2010-2016

<u>Year</u>	<u>Declared Nursing Students</u>	<u>Degrees Awarded</u>
2010	742	56
2011	819	80
2012	722	134
2013	719	101
2014	683	136
2015	713	86
2016	643	65

Source: Maryland Higher Education Commission

The BSN program received initial accreditation in April 2010 from the Commission on Collegiate Nursing Education. In March 2015, the program's accreditation was reaffirmed until 2025. One of the four standards a program must meet for accreditation – Standard IV – relates to student outcomes, in particular, the first-time pass rate of students taking the nursing licensure exam for registered nurses. The standard requires a pass rate to be 80% or higher for the three most recent calendar years. However, if the pass rate is less than 80% for first-time takers then the pass rate for first-time and repeat takers is considered. As shown in **Exhibit 12**, the pass rate of first-time takers has not exceeded 80% since fiscal 2012, raising concerns if this could jeopardize the nursing program's accreditation.

Exhibit 12
First-time NCLEX-RN Pass Rate
Fiscal 2010-2016

<u>Year</u>	<u>Passing Rate</u>	<u>Accrediting Body Required Pass Rate</u>	<u>Board of Nursing Required Maryland Pass Rate</u>
2010	93.44%	80.00%	79.92%
2011	87.34%	80.00%	78.95%
2012	87.04%	80.00%	80.03%
2013	78.75%	80.00%	78.33%
2014	67.14%	80.00%	74.30%
2015	62.07%	80.00%	74.28%
2016	76.47%	80.00%	75.55%

NCLEX-RN: National Council Licensure Examination for Registered Nurses

Note: The Board of Nursing required Maryland pass rate is 90% of the national success rate for that year.

Source: Maryland Board of Nursing

In addition, the Maryland Board of Nursing (MBON), which determines if a prelicensure program can operate in the State, placed CSU's program on a warning status in fiscal 2014 for not meeting the required passing score for Maryland schools, as also shown in Exhibit 12. After not meeting the required score for a second consecutive year, the nursing program received conditional approval in fiscal 2015. The first year a program does not meet the requirement, a report must be submitted identifying the factors that contributed to the decline in the passage rate and an action plan. For a second successive year a program is not in compliance, the program not only must submit a report analyzing all aspects of the program but also must obtain the services of a MBON-approved outside consultant with expertise in nursing education. In fiscal 2016, the pass rate exceeded the required Maryland pass rate and the warning status was removed.

CSU credits the increase in the pass rate in fiscal 2016 to more focused advising and clinical integration with a Student Enrichment Program that provided academic support services to improve outcomes and retention and a tutor program with special emphasis on high-risk courses. In order to improve the pass rate, CSU states it will continue interventions and decrease the student-to-faculty ratio to 15:1.

The President should comment on factors contributing to the decline in the pass rate and actions being taken to improve the rate. The President should also address if there are concerns about the first-time passage rate on the nursing licensure exam being below 80% and the potential impact this may have on the program's accreditation.

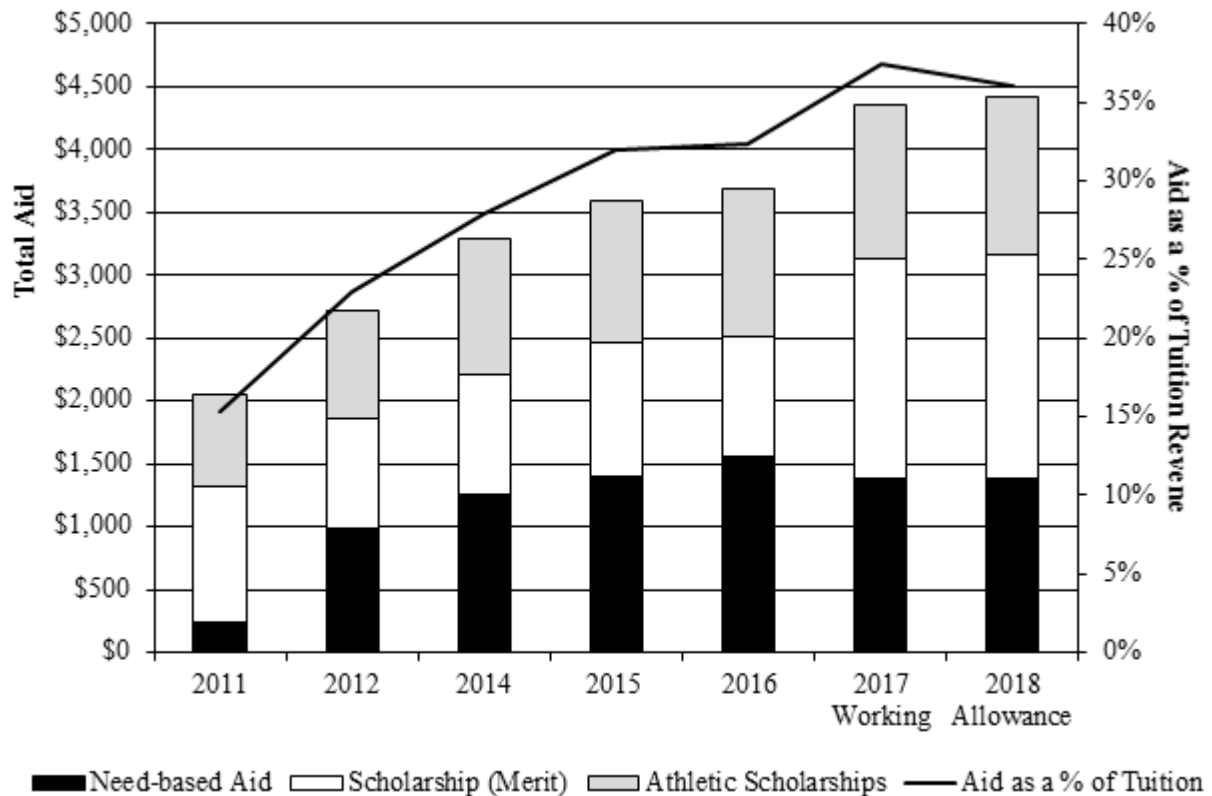
2. Meeting College Expenses

As the cost of college continues to increase, students and families are relying on a variety of financial aid to pay for college with more students taking out loans. When accounting for the average amount of federal, State, and institutional aid awarded to all CSU students, the average net price for a FT/FT Maryland undergraduate student at CSU was \$9,043 in fiscal 2016 compared to the list price of \$21,148 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board), according to the National Center for Education Statistics' College Navigator. This amounts to a 57.2% reduction in the net cost of attendance. For those with a family income up to \$30,000, the average net price was \$8,981 in fiscal 2016.

In fiscal 2016, 67% of CSU's undergraduate students received Pell awards, which are given to those who otherwise could not afford college and have an expected family contribution (EFC) of less than a specific amount, which was \$5,815 in fiscal 2016. EFC is an indicator of the amount that a family is able to contribute for a student's college education: the lower the EFC, the greater the financial aid.

Since fiscal 2011 when expenditures on institutional financial aid fell \$2.1 million due to the failure to disburse most of the available need-based aid, spending has increased 79.2%, or \$1.6 million, by fiscal 2016, as shown in **Exhibit 13**. During this time, spending on need-based aid increased \$1.3 million and scholarships declined by \$0.1 million. Spending decreases on scholarships in the even years (fiscal 2012, 2014 and 2016) were offset by increases in the intervening years. In fiscal 2016, total spending on financial aid grew 2.7%, or \$95,450, with a \$0.2 million increase in need-based aid offset by a decrease of \$0.1 million in scholarships. In fiscal 2016, 42.2% of institutional aid was spent on need-based aid. This fell to 31.7% in fiscal 2017.

Exhibit 13
Institutional Aid: Total Aid and Aid as a Percentage of Undergraduate Tuition Revenues
Fiscal 2011-2018
(\$ in Thousands)



Source: University System of Maryland; Department of Legislative Services

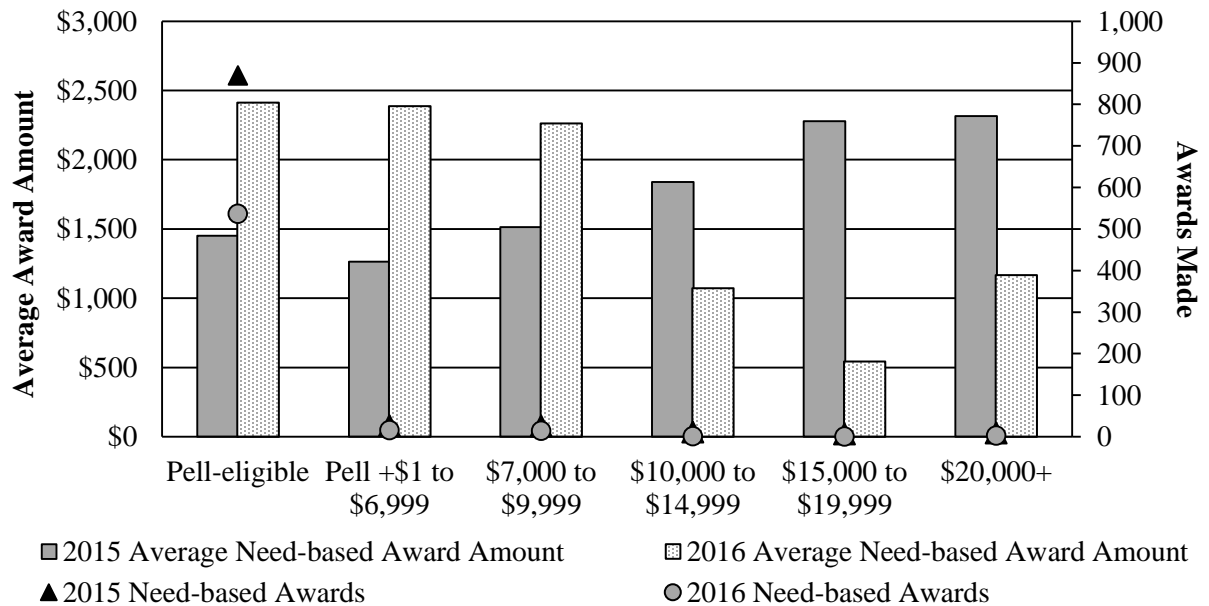
In fiscal 2016, USMO provided CSU \$327,000 to provide financial assistance to students. This funding was used not only for financial aid but also for forgiveness and gap grants, which allowed students to continue their education. These grants are not considered to be part of institutional financial aid. CSU stated that through internal reallocation of resources, it added an additional \$0.4 million to its need-based aid budget in fiscal 2017. However, in fiscal 2017 spending on need-based aid decreases \$0.2 million while that spent on scholarships increases \$0.8 million.

The President should comment on why spending on need-based aid decreases in fiscal 2017, even though it was stated an additional \$400,000 was added to the need-based aid budget. The President should also comment on why spending on scholarships increases 83.6%, or \$0.8 million, in fiscal 2017 while spending on need-based aid declines.

The USM Board of Regents has instructed institutions to use a portion of annual tuition revenue increases for institutional aid directed toward those undergraduate students with the highest financial need, offsetting increases in tuition rates, and holding harmless those with the greatest need. Since fiscal 2011, when CSU’s institutional aid as a percentage of undergraduate tuition revenue was at its lowest level of 15.3%, it has steadily increased reaching 37.4% in fiscal 2017.

Exhibit 14 compares how CSU distributed need-based aid between fiscal 2015 and 2016. Overall, while 375 less awards were made in fiscal 2016, the average amount of the award increased for Pell-eligible students and those with EFCs from Pell +\$1 to \$9,999. The average award for Pell-eligible students increased from \$1,451 in fiscal 2015 to \$2,413 in fiscal 2016. In fiscal 2016, 93.6% of the award went to Pell-eligible students up from 91.5% in fiscal 2016. **The President should comment on if providing higher awards to fewer students is a shift in financial aid practice in order to increase the retention of students.**

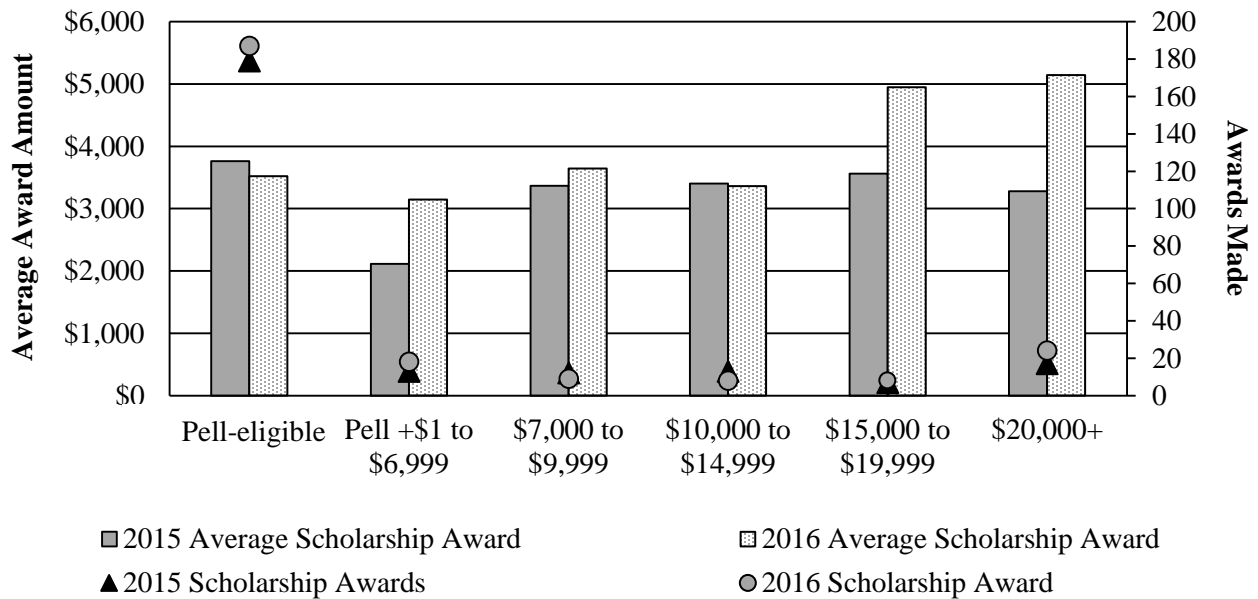
**Exhibit 14
Comparison of Number and Average Amount of Need-based Aid Received Per Recipient by Expected Family Contribution**



Source: University System of Maryland

The total number of scholarships awarded remained flat from fiscal 2015 to 2016, as shown in **Exhibit 15**. The average award amount for those with an EFC of \$20,000+ increased from \$3,280 in fiscal 2015 to \$5,143 in fiscal 2016. The average amount of an award for Pell-eligible students decreased from \$3,762 to \$3,519, respectively. Overall, 70% of the awards go to Pell-eligible students.

Exhibit 15
Comparison of Number and Average Amount of Scholarships Received Per Recipient by Expected Family Contribution Fiscal 2015 and 2016

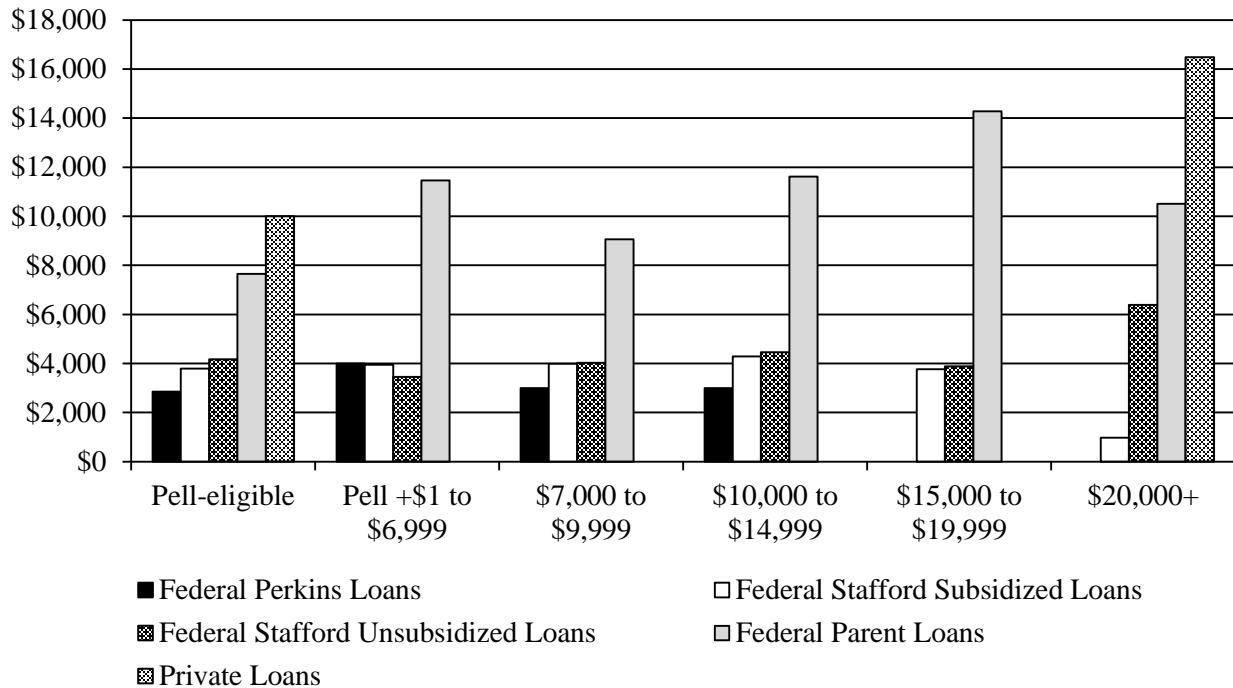


Source: University System of Maryland

While students with the greatest financial need typically receive Pell and institutional aid, it is not enough to cover the cost of attending college. As shown in **Exhibit 16**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

- federal subsidized loans, which are based on the financial need with the government paying the interest while the student is enrolled in school (Perkins and Stafford loans);
- federal unsubsidized loans, which are generally 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 and Parent loans); and
- private loans.

Exhibit 16
Mean Loan Amount by Type and Expected Family Contribution
Fiscal 2016



Source: University System of Maryland

In fiscal 2016, of the 1,789 Pell-eligible students, 84.5% and 80.8% used subsidized and unsubsidized loans, respectively, to help pay for their college education with average loans of \$3,786 and \$4,171. In general, federal parent loans were the highest loan amount in all EFC categories, with those who have an EFC of \$15,000 to \$19,999 taking out the highest average loan amount of \$14,277.

According to the U.S. Department of Education’s College Scorecard, 68% of undergraduate students used federal loans to pay for college. This does not include the federal parent loans. The average federal debt of a CSU graduate is \$19,500, excluding federal parent loans. This does not include private loans that students may take out to finance their education. Other USM institutions submit data to the Common Data Set (CDS), a collaborative effort among the higher education community and publishers represented by the College Board, Peterson’s, and U.S. News & World Report. College Insight uses this information to provide data on various topics, including student debt. **The President should comment on why CSU has not submitted data to the CDS since the 2010-2011 academic year.**

Recommended Actions

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

Appendix 1
Current and Prior Year Budgets
USM – Coppin State University
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2016							
Legislative Appropriation	\$42,069	\$2,027	\$0	\$28,546	\$72,642	\$18,000	\$90,642
Deficiency Appropriation	0	0	0	0	0	0	0
Budget Amendments	659	0	0	39	698	0	698
Reversions and Cancellations	0	0	0	-3,498	-3,498	-3,589	-7,086
Actual Expenditures	\$42,728	\$2,027	\$0	\$25,087	\$69,842	\$14,411	\$84,254
Fiscal 2017							
Legislative Appropriation	\$43,670	\$2,207	\$0	\$29,114	\$74,991	\$18,000	\$92,991
Cost Containment	-613	0	0	0	-613	0	-613
Budget Amendments	1,945	0	0	-1,381	564	0	564
Working Appropriation	\$45,001	\$2,207	\$0	\$27,733	\$74,941	\$18,000	\$92,941

USM: University System of Maryland

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

For fiscal 2016, the general fund appropriation for Coppin State University (CSU) increased by \$0.7 by a budget amendment related to the restoration of a 2% pay reduction. Other unrestricted funds decreased by \$3.5 million. A budget amendment added \$38,964. Increases of \$0.3 million in tuition and fee revenue related to an increased collection of various fees, \$43,000 in miscellaneous income, and \$5,000 in federal grants and contracts are partially offset by a decrease in auxiliary enterprises. Cancellations of unrestricted funds amounted to \$3.5 million due to reduced spending in order to meet a balanced budget goal driven primarily by an enrollment decline.

Cancellation of restricted funds totaled \$3.6 million due to lower than anticipated spending on financial aid related to a decline in enrollment.

Fiscal 2017

To date, in fiscal 2017, the general fund appropriation for CSU increased \$1.3 million. Budget amendments added \$1.9 million including \$0.8 million related to salary increments, a \$0.6 million transfer of the Office for Civil Rights enhancement funds from the Maryland Higher Education Commission, and a \$0.5 million transfer of general funds from the University System of Maryland Office to support student completion initiatives. The increase was offset by \$0.6 million in cost containment.

Other unrestricted funds decline by \$1.4 million. Decreases of \$0.8 million in tuition and fee revenue due to lower enrollment, \$0.5 million related to increasing the amount transferred to fund balance, \$0.3 million in auxiliary enterprises, and \$18,000 in federal grants and contracts are partially offset by an increase of \$0.2 million in miscellaneous income.

**Appendix 2
Object/Fund Difference Report
USM – Coppin State University**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	442.00	440.00	440.00	0.00	0%
02 Contractual	146.00	152.17	156.31	4.14	2.7%
Total Positions	588.00	592.17	596.31	4.14	0.7%
Objects					
01 Salaries and Wages	\$ 40,344,491	\$ 43,245,185	\$ 43,531,817	\$ 286,632	0.7%
02 Technical and Spec. Fees	7,594,715	7,755,656	8,139,265	383,609	4.9%
03 Communication	247,819	359,610	359,639	29	0%
04 Travel	1,064,665	1,186,676	1,178,000	-8,676	-0.7%
06 Fuel and Utilities	3,641,406	3,921,764	3,828,325	-93,439	-2.4%
07 Motor Vehicles	102,910	207,211	206,497	-714	-0.3%
08 Contractual Services	10,061,711	12,455,940	11,764,187	-691,753	-5.6%
09 Supplies and Materials	1,670,967	2,138,747	1,974,748	-163,999	-7.7%
10 Equipment – Replacement	99,010	525,000	525,000	0	0%
11 Equipment – Additional	641,317	629,310	629,310	0	0%
12 Grants, Subsidies, and Contributions	12,793,298	14,817,060	14,951,114	134,054	0.9%
13 Fixed Charges	4,218,635	5,431,045	5,757,108	326,063	6.0%
14 Land and Structures	1,772,738	268,203	268,203	0	0%
Total Objects	\$ 84,253,682	\$ 92,941,407	\$ 93,113,213	\$ 171,806	0.2%
Funds					
40 Unrestricted Fund	\$ 69,842,391	\$ 74,941,407	\$ 75,113,213	\$ 171,806	0.2%
43 Restricted Fund	14,411,291	18,000,000	18,000,000	0	0%
Total Funds	\$ 84,253,682	\$ 92,941,407	\$ 93,113,213	\$ 171,806	0.2%

USM: University System of Maryland

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 3
Fiscal Summary
USM – Coppin State University**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Instruction	\$ 20,975,510	\$ 23,090,365	\$ 23,587,933	\$ 497,568	2.2%
02 Research	37,143	52,905	52,905	0	0%
03 Public Service	4,331	0	0	0	0%
04 Academic Support	7,219,946	7,737,233	8,051,148	313,915	4.1%
05 Student Services	5,051,101	5,288,388	5,216,301	-72,087	-1.4%
06 Institutional Support	16,693,899	17,915,060	17,918,195	3,135	0%
07 Operation and Maintenance of Plant	11,484,456	14,260,714	13,380,015	-880,699	-6.2%
08 Auxiliary Enterprises	11,735,695	11,951,233	12,127,153	175,920	1.5%
17 Scholarships and Fellowships	11,051,601	12,645,509	12,779,563	134,054	1.1%
Total Expenditures	\$ 84,253,682	\$ 92,941,407	\$ 93,113,213	\$ 171,806	0.2%
Unrestricted Fund	\$ 69,842,391	\$ 74,941,407	\$ 75,113,213	\$ 171,806	0.2%
Restricted Fund	14,411,291	18,000,000	18,000,000	0	0%
Total Appropriations	\$ 84,253,682	\$ 92,941,407	\$ 93,113,213	\$ 171,806	0.2%

USM: University System of Maryland

Note: Does not include targeted reversions, deficiencies, and contingent reductions.