

R30B27
Coppin State College
University System of Maryland

Operating Budget Data

(\$ in Thousands)

| | FY 02 | FY 03 | FY 04 | FY 03 - 04 | FY 03 - 04 |
|-------------------------------|----------------------|-----------------------|-------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Approp.</u> | <u>Allowance</u> | <u>Change</u> | <u>% Change</u> |
| General Funds | \$20,513 | \$20,578 | \$19,755 | -\$823 | -4.0% |
| FY 2003 Cost Containment | 0 | -823 | 0 | 823 | |
| Adjusted General Funds | \$20,513 | \$19,755 | \$19,755 | \$0 | 0.0% |
| Other Unrestricted Funds | 15,476 | 17,700 | 19,630 | 1,931 | 10.9% |
| Total Unrestricted Funds | 35,989 | 37,454 | 39,385 | 1,931 | 5.2% |
| Restricted Funds | 12,045 | 14,929 | 16,422 | 1,493 | 10.0% |
| Adjusted Grand Total | \$48,034 | \$52,383 | \$55,807 | \$3,423 | 6.5% |

- Cost containment reduced the fiscal 2003 working appropriation by \$823,000, or 4%.
- Other current unrestricted funds increase 11%, or \$1.9 million.
- Restricted funds increase 10%, or \$1.5 million.

Personnel Data

| | FY 02 | FY 03 | FY 04 | |
|------------------------|----------------------|-----------------------|-------------------------|----------------------|
| | <u>Actual</u> | <u>Working</u> | <u>Allowance</u> | <u>Change</u> |
| Regular Positions | 380.50 | 376.50 | 376.50 | 0.00 |
| Contractual FTEs | 128.88 | 104.54 | 108.56 | 4.02 |
| Total Personnel | 509.38 | 481.04 | 485.06 | 4.02 |

Vacancy Data: Regular Positions

| | | |
|---------------------------------|-------|-------|
| Budgeted Turnover: FY 04 | 16.94 | 4.50% |
| Positions Vacant as of 09/31/02 | 20.00 | 5.31% |

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

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Analysis in Brief

Major Trends

Number of Teaching Graduates Employed in Maryland Expected to Double: In fiscal 2001 Coppin State College reported 43 teacher education graduates employed in Maryland; by fiscal 2004 this number is expected to be 105, a 144% increase.

Six-year Graduation Rates Show Modest Improvement: The six-year graduation rates for all categories of students at Coppin State College improved from fiscal 1999 to 2001, and progress is expected to continue through 2004.

Recommended Actions

1. Concur with Governor's allowance.

R30B27
Coppin State College
University System of Maryland

Operating Budget Analysis

Program Description

Coppin State College (Coppin) is a historically black institution (HBI) focusing on the needs of minority and economically disadvantaged students from Baltimore City. The college offers selected baccalaureate and master's programs in the liberal arts and sciences and selected professions, while enhancing its strong mission of service to the community and continuing dedication to the training of teachers. Coppin's philosophy of admission is to assist students with a broad range of academic preparation and abilities to fulfill their potential and become successful.

Coppin's mission is to collaborate with public service agencies; to encourage faculty, staff, and students to participate in public service endeavors involving residents of Baltimore's central city; and to work closely with the community organizations to assess the needs of the community. In particular, Coppin works closely with Baltimore City public schools to provide teacher preparation programs, graduating a significant number of teachers and administrators who are employed by the schools. In addition, Coppin has interactive affiliations with a variety of health, social welfare, and private agencies in Baltimore City.

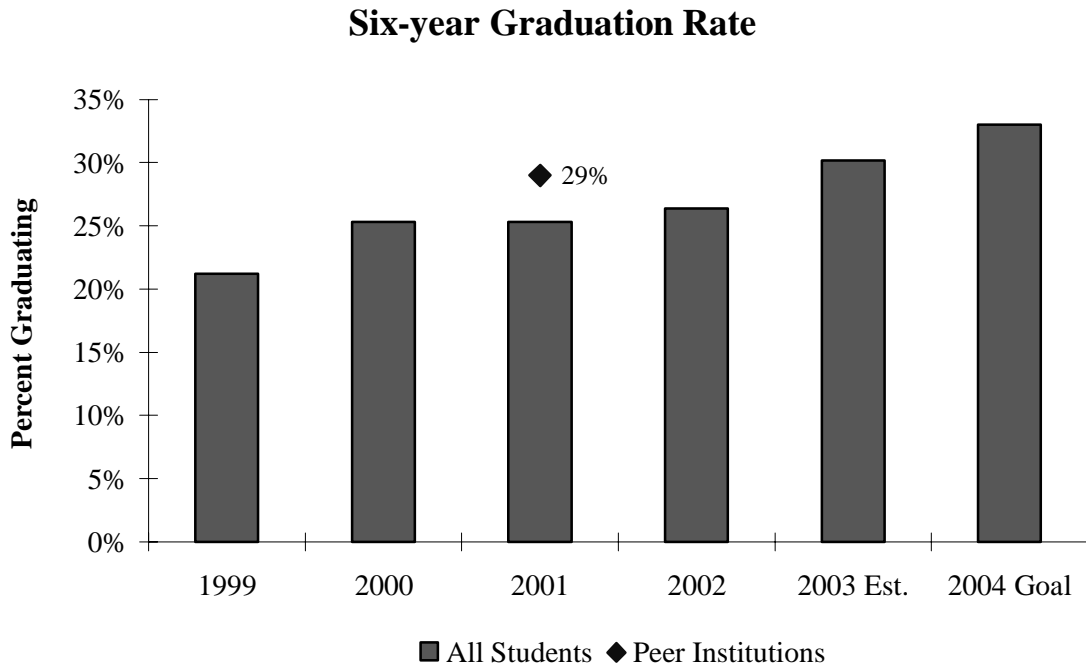
Performance Analysis: Managing for Results

The performance measures for Maryland's four-year public colleges and universities focus on graduation and retention rates for all students and African American students. Due to the shortage of workers in critical fields such as nursing and teaching, higher education institutions are placing importance on tracking students graduating from and entering the workforce in those fields. The following discussion of performance measurements tracks progress over a period of years and compares Coppin to its nationwide peer group.

The six-year graduation rate of Coppin students is the lowest of the University System of Maryland institutions, reflecting a student population that has a high percentage of part-time enrollees and first generation college students. Despite these and other obstacles, Coppin has made great improvements in its six-year graduation rate. In fiscal 1999 it was 21.2% and the fiscal 2004 goal is 33%, a 12% increase in the number of students graduating within six years. **Exhibit 1** shows the graduation rate for all students at Coppin in comparison with the average of its peer institutions in fiscal 2001. While Coppin is 4% below the peer average, the average of African American and minority students attending the college is well above the peer average.

Coppin credits its "Retention Campaign" program with the increase in six-year graduation rates in the last three years. This campaign is a cohort-based, campus-wide campaign to contact and advise students that need extra help; the college is also creating retention committees and expanding the ways it can reach struggling students.

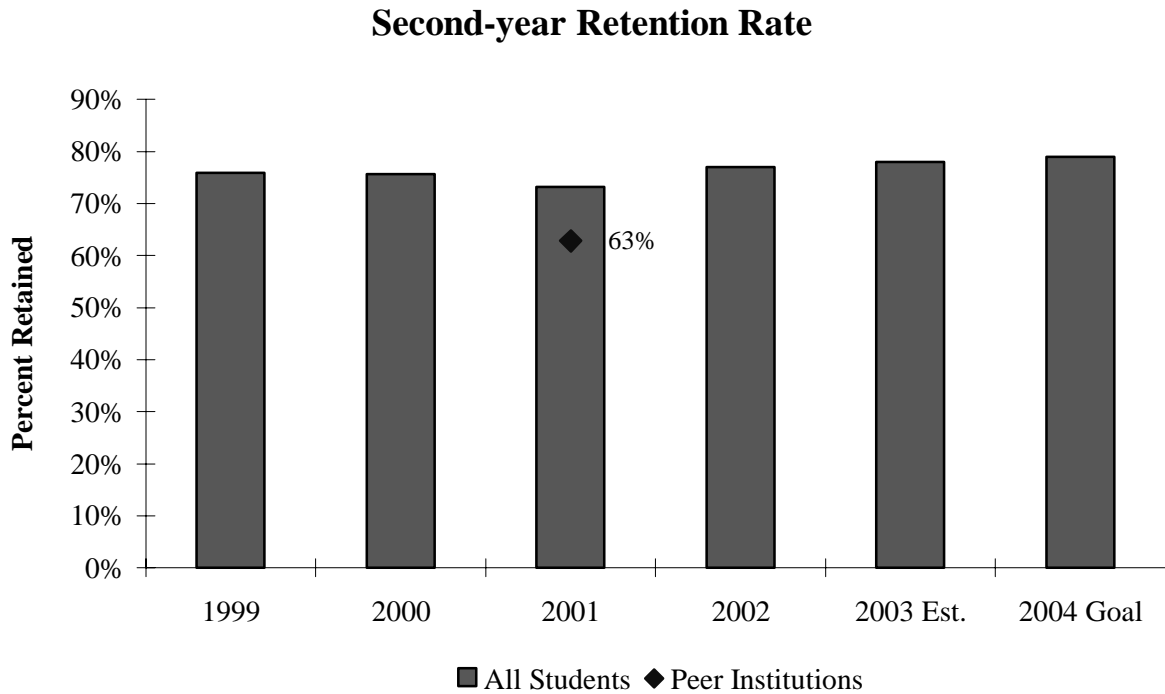
Exhibit 1



Source: Coppin State College

Coppin has the highest second-year retention rate of its peers and exceeds the peer average by more than 10 percentage points. The fiscal 2004 goal is 79%, four percentage points higher than the fiscal 1999 performance. **Exhibit 2** shows the second-year retention rate for all students.

Exhibit 2

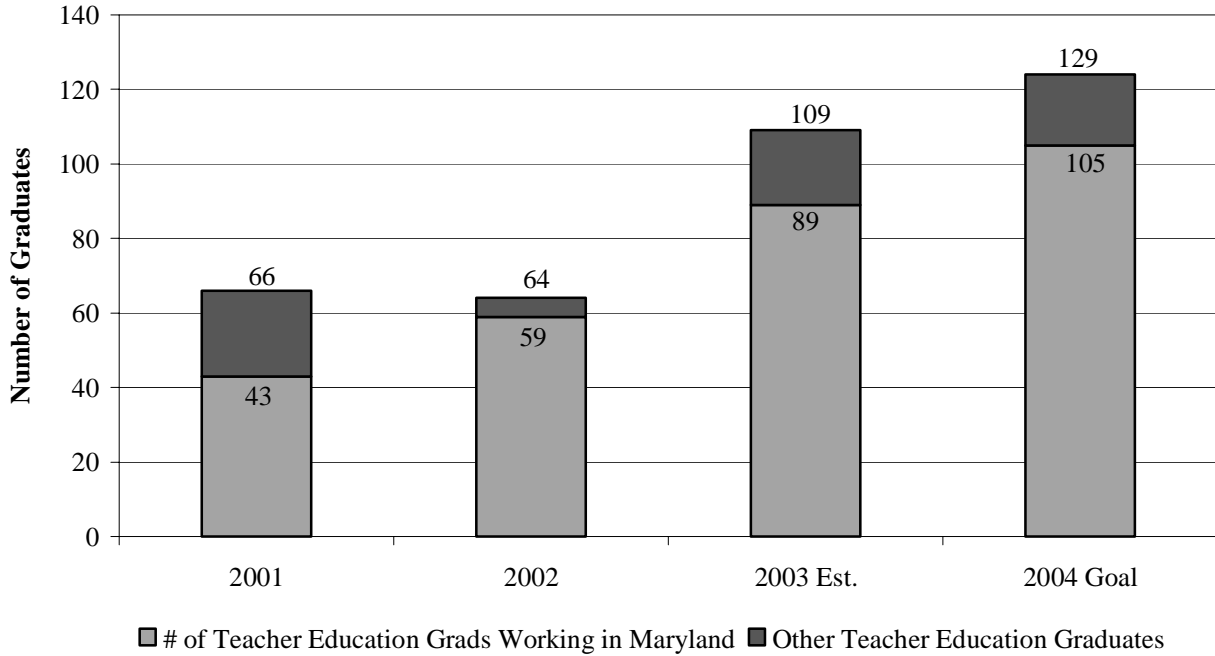


Source: Coppin State College

In addition to measuring the passing rate on teaching exams and the number of students enrolled in teaching programs, Coppin tracks the number of teacher education graduates each year that work in Maryland. This measurement underscores the importance of Coppin to its Baltimore community, because the vast majority of these graduates are from Baltimore City and teach in Baltimore City schools. Coppin expects to meet this need with a dramatic increase in the number of teacher education graduates it will produce. **Exhibit 3** depicts the number of teachers working in Maryland.

Exhibit 3

**Number of Teacher Education Graduates
Employed in Maryland Public Schools**

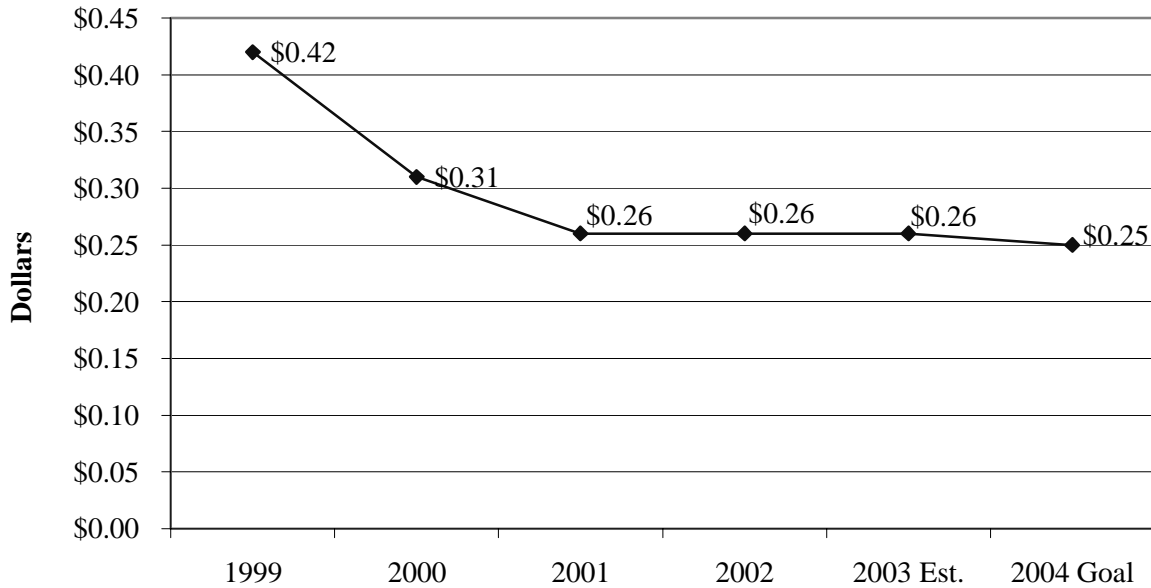


Source: Coppin State College

To increase the amount of private donations the school receives and to decrease the cost of fundraising, Coppin has made an effort to reduce the cost of raising each \$1 in private donations. As shown in **Exhibit 4**, it cost the college \$0.16 more to raise each dollar in fiscal 1999 than in fiscal 2002. For fiscal 2004 Coppin expects to spend only \$0.25 for each dollar brought in through private donations.

Exhibit 4

Cost of Raising \$1 in Private Donations



Source: Coppin State College

Fiscal 2003 Actions

Impact of Cost Containment

Fiscal 2003 cost containment actions will reduce Coppin’s budget by about \$823,000, or 4%. The first round of cost containment approved by the Board of Public Works on January 8, 2003, reduced the appropriation by \$741,000. Governor Robert L. Ehrlich has proposed an additional \$82,000 reduction. Some of the cost containment savings were achieved through the following measures:

- transferring funds from fund balance (\$460,111);
- imposing a hiring freeze (\$148,016);
- reducing contractual services in institutional support, related to advertising and publications (\$126,635);
- delaying the purchase of new and replacement equipment (\$38,377);
- reducing purchases of supplies and material (\$25,000); and

- reducing the scholarship allocation (\$25,000).

Governor's Proposed Budget

The fiscal 2004 allowance for Coppin is \$55.8 million, an increase of \$3.4 million, or 6.5%. The general fund allocation of the allowance is \$19.8 million, the same as fiscal 2003 after cost containment. Other unrestricted funds increase 10.9%, or \$1.9 million. Restricted funds increase 10%, or \$1.5 million over fiscal 2003. **Exhibit 5** shows the major changes from the fiscal 2003 allowance.

Exhibit 5

**Governor's Proposed Budget
Coppin State College
(\$ in Thousands)**

| | <u>FY 02</u> <u>Actual</u> | <u>FY 03</u> <u>Approp.</u> | <u>FY 04</u> <u>Allowance</u> | <u>FY 03 - 04</u> <u>Change</u> | <u>FY 03 - 04</u> <u>% Change</u> |
|-------------------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------------|--------------------------------------|
| General Funds | \$20,513 | \$20,578 | \$19,755 | -\$823 | -4.0% |
| FY 2003 Cost Containment | 0 | -823 | 0 | 823 | |
| Adjusted General Funds | \$20,513 | \$19,755 | \$19,755 | \$0 | 0.0% |
| Other Unrestricted Funds | 15,476 | 17,700 | 19,630 | 1,931 | 10.9% |
| Total Unrestricted Funds | 35,989 | 37,454 | 39,385 | 1,931 | 5.2% |
| Restricted Funds | 12,045 | 14,929 | 16,422 | 1,493 | 10.0% |
| Adjusted Grand Total | \$48,034 | \$52,383 | \$55,807 | \$3,423 | 6.5% |

Where It Goes:

Personnel Expenses

Employee and retiree health insurance..... \$229

Other Changes

Contractual services, including data processing, PeopleSoft implementation, and services specific to restricted fund grants and contracts..... 1,400

Educational grants and contracts..... 580

Increase in fixed charges (fuel and utilities) 155

Classroom-related supplies and materials..... 665

Need-based scholarships and fellowships (5% increase) 286

Other 108

Total **\$3,423**

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

Funds for Historically Black Institutions

Prior to the Office of Civil Rights (OCR) agreement that was signed in 2000 and first funded in fiscal 2003, the four HBIs in Maryland received State funding for various programs seeking to improve the higher educational experiences of African American students. **Exhibit 6** shows the general fund support with and without the HBI-specific (nonbase) funds. In 1999 Coppin received \$500,000 for the *Access and Success* program targeted at improving retention and graduation rates of African American students. This amount grew to \$1.1 million in fiscal 2002.

Exhibit 6

**General Fund Support Including Funds Specific to Historically Black Institutions
Fiscal 1999 through 2003**

| | <u>FY 99</u> | <u>FY 00</u> | <u>FY 01</u> | <u>FY 02*</u> | <u>FY 03*</u> | <u>FY 04</u> | <u>Avg. Annual Change</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|
| Base General Funds | \$14,504 | \$16,038 | \$18,623 | \$20,513 | \$19,755 | \$19,755 | 6.4% |
| Access/Success | 500 | 500 | 858 | 1,144 | 1,500 | 1,500 | 24.6% |
| Enhancement Funds | 0 | 0 | 0 | 0 | 1,381 | 1,500** | n/a |
| Information Technology (IT) | | | | | | | |
| Enhancements | 0 | 0 | 0 | 0 | 400 | 0 | n/a |
| Private Donation Incentive Grants | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Nonbase Total | 500 | 500 | 858 | 1,144 | 3,281 | 3,000 | 43.0% |
| Adjusted Total General Funds | \$15,004 | \$16,538 | \$19,481 | \$21,657 | \$23,036 | \$22,755 | 8.7% |

* Fiscal 2002 and 2003 base general funds reflect the actual and working appropriations after cost containment.

** Fiscal 2004 enhancement fund allocation assumes an equal distribution of the \$6 million in the Governor’s proposed budget. The actual allocation has not yet been determined.

Source: Coppin State College

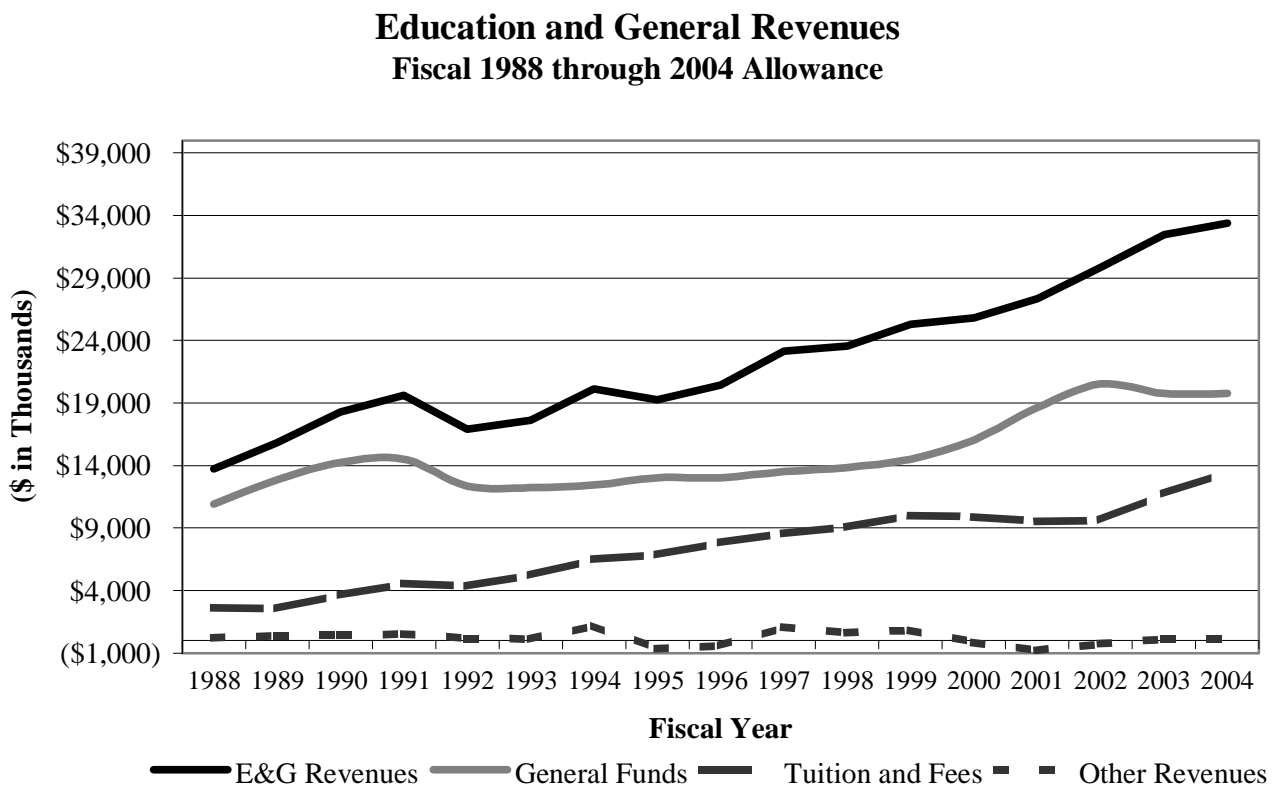
Fiscal 2003 was the largest year of nonbase funding, due primarily to the OCR enhancement funds. The Maryland Higher Education Commission (MHEC) distributed a total of \$3 million in enhancement funds to the HBIs, with the first \$1 million going directly to Coppin, because Coppin was deemed to have the most outstanding needs of the four institutions. The remaining \$2 million in enhancement funds were based on full-time equivalent students (FTES) and Coppin received \$381,000. Coppin’s total nonbase funding in fiscal 2003 also included *Access and Success* funds and IT enhancement funding for the laptop initiative. If the fiscal 2004 OCR dollars are divided evenly among the four HBIs, Coppin’s total general fund support will actually decline by \$281,000.

The fiscal 2004 MHEC allowance provides \$6 million in OCR enhancement funds for the four HBIs. The department recommends that Coppin discuss how it plans to spend any money it receives.

Education and General Revenues

Exhibit 7 shows the Education and General (E&G) revenues. E&G funds are the primary, mission-related, operating revenues of an institution, excluding restricted funds over which the university has little or no discretion, and auxiliary funds, used in noncore functions such as dining halls, dormitories, and athletics. As shown in Exhibit 7, E&G funds declined \$2.3 million between fiscal 1991 and 1993, and another \$1 million in fiscal 1995; E&G revenues have grown steadily since then and have increased 4.4% on average each year.

Exhibit 7



Source: Governor’s Budget Books, 1990-2004

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Exhibit 7 shows general fund support for Coppin over the period 1988 through 2004. General funds have increased at an average annual rate of 2.4% since 1988. Like E&G revenues, general funds declined between 1991 and 1993, from \$14.5 to \$12.2 million. General funds declined again in fiscal 2003 due to cost containment. There is no increase in State support from fiscal 2003 to 2004.

Tuition and Fees

The other major portion of E&G revenue, tuition and fees, has increased steadily since 1988. This is the primary reason E&G revenues increased during the 1990s and continue to increase in fiscal 2003 and 2004. Tuition and fees have increased on average 9.8% per year since 1990.

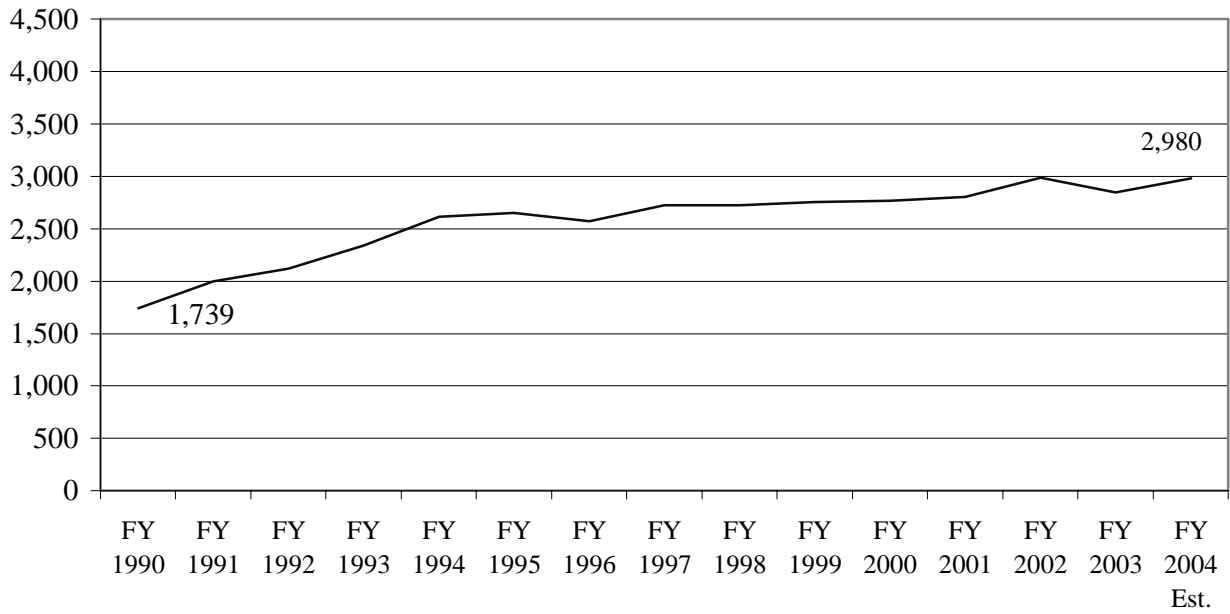
The fiscal 2004 allowance includes \$13.5 million in tuition and fee revenue. This is an increase of \$1.8 million, or 15% over fiscal 2003. Tuition for in-state students increased 2.5% over fiscal 2003 to \$4,060. For out-of-state students, tuition and mandatory fees increased 1.9%, to \$9,459. Coppin will not adopt the 5% mid-year tuition increase during fiscal 2003 due to the high number of students already receiving need-based financial aid.

Enrollment Trends

Exhibit 8 shows enrollment growth at Coppin since fiscal 1990. Coppin has increased its FTES enrollment by 1,241 students, a 71% increase since 1990. Average annual enrollment growth is nearly 4% per year.

Exhibit 8

Enrollment Trends
Fiscal 1990 through 2004 Estimate



Source: Coppin State College

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Coppin State College (\$ in Thousands)

| | <u>General Fund</u> | <u>Other Unrestricted Fund</u> | <u>Total Unrestricted Fund</u> | <u>Restricted Fund</u> | <u>Total</u> |
|----------------------------------|--------------------------------|---|---|-----------------------------------|---------------------|
| Fiscal 2002 | | | | | |
| Legislative Appropriation | \$20,513 | \$16,243 | \$36,756 | \$11,295 | \$48,051 |
| Deficiency Appropriation | 0 | 0 | 0 | 0 | 0 |
| Budget Amendments | 0 | 0 | 0 | 2,253 | 2,253 |
| Reversions and Cancellations | 0 | -767 | -767 | -1,503 | -2,270 |
| Actual Expenditures | \$20,513 | \$15,476 | \$35,989 | \$12,045 | \$48,034 |
| Fiscal 2003 | | | | | |
| Legislative Appropriation | \$20,578 | \$18,241 | \$38,819 | \$12,826 | \$51,645 |
| Budget Amendments | 0 | -542 | -542 | 2,104 | 1,561 |
| Cost Containment | -823 | 0 | -823 | 0 | -823 |
| Working Appropriation | \$19,755 | \$17,699 | \$37,454 | \$14,930 | \$52,383 |

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

Fiscal 2002

Unrestricted funds were cancelled in the amount of \$767,000 due to less than expected auxiliary revenues from dormitories. The \$1.5 million in reverted restricted funds is a result of federal grants and contracts that were not received.

Fiscal 2003

The decrease in current unrestricted funds (\$542,000) is due to the overstatement of the sales and services of auxiliary enterprises in the fiscal 2003 budget primarily related to bringing the new residence hall on line. The \$2 million increase in restricted funds is attributable to the increase in OCR enhancement awards and *Access and Success* funds, as well as private gifts and grants.

**Object/Fund Difference Report
USM - Coppin State College**

| <u>Object/Fund</u> | <u>FY 02 Actual</u> | <u>FY 03 Working Appropriation</u> | <u>FY 04 Allowance</u> | <u>FY 03 – FY 04 Amount Change</u> | <u>Percent Change</u> |
|-----------------------------|-------------------------|--|----------------------------|--|---------------------------|
| Positions | | | | | |
| 01 Regular | 380.50 | 376.50 | 376.50 | 0 | 0% |
| 02 Contractual | 128.88 | 104.54 | 108.56 | 4.02 | 3.8% |
| Total Positions | 509.38 | 481.04 | 485.06 | 4.02 | 0.8% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 23,199,076 | \$ 24,903,811 | \$ 24,613,218 | -\$ 290,593 | -1.2% |
| 02 Technical & Spec Fees | 5,146,409 | 5,274,908 | 5,232,924 | -41,984 | -0.8% |
| 03 Communication | 1,096,160 | 441,712 | 467,840 | 26,128 | 5.9% |
| 04 Travel | 612,623 | 710,176 | 755,048 | 44,872 | 6.3% |
| 06 Fuel & Utilities | 1,049,621 | 1,897,864 | 2,052,562 | 154,698 | 8.2% |
| 07 Motor Vehicles | 10,743 | 30,311 | 37,889 | 7,578 | 25.0% |
| 08 Contractual Services | 4,429,727 | 4,940,713 | 6,342,723 | 1,402,010 | 28.4% |
| 09 Supplies & Materials | 1,671,452 | 2,524,823 | 3,189,641 | 664,818 | 26.3% |
| 10 Equip - Replacement | 20,934 | 25,336 | 15,000 | -10,336 | -40.8% |
| 11 Equip - Additional | 326,030 | 381,423 | 376,290 | -5,133 | -1.3% |
| 12 Grants, Subsidies, Contr | 7,678,941 | 7,640,571 | 8,220,478 | 579,907 | 7.6% |
| 13 Fixed Charges | 2,792,267 | 3,228,770 | 3,484,333 | 255,563 | 7.9% |
| 14 Land & Structures | 0 | 1,206,044 | 1,018,648 | -187,396 | -15.5% |
| Total Objects | \$ 48,033,983 | \$ 53,206,462 | \$ 55,806,594 | \$ 2,600,132 | 4.9% |
| Funds | | | | | |
| 40 Unrestricted Fund | \$ 35,988,851 | \$ 38,277,541 | \$ 39,384,781 | \$ 1,107,240 | 2.9% |
| 43 Restricted Fund | 12,045,132 | 14,928,921 | 16,421,813 | 1,492,892 | 10.0% |
| Total Funds | \$ 48,033,983 | \$ 53,206,462 | \$ 55,806,594 | \$ 2,600,132 | 4.9% |

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

**Fiscal Summary
USM - Coppin State College**

| <u>Unit/Program</u> | <u>FY 02 Actual</u> | <u>FY 03 Legislative Appropriation</u> | <u>FY 03 Working Appropriation</u> | <u>FY 02 – FY 03 % Change</u> | <u>FY 04 Allowance</u> | <u>FY 03 – FY 04 % Change</u> |
|---------------------------------------|-------------------------|--|--|-----------------------------------|----------------------------|-----------------------------------|
| 01 Instruction | \$ 13,144,350 | \$ 13,274,116 | \$ 13,568,291 | 3.2% | \$ 14,716,165 | 8.5% |
| 02 Research | 112 | 414,214 | 414,214 | 369733.9% | 414,214 | 0% |
| 04 Academic Support | 3,465,277 | 3,475,157 | 3,798,116 | 9.6% | 4,099,415 | 7.9% |
| 05 Student Services | 4,080,387 | 4,279,407 | 4,684,584 | 14.8% | 4,772,644 | 1.9% |
| 06 Institutional Support | 10,803,719 | 10,820,275 | 11,662,748 | 8.0% | 11,689,131 | 0.2% |
| 07 Operation and Maintenance of Plant | 4,163,278 | 6,274,368 | 7,027,587 | 68.8% | 7,614,830 | 8.4% |
| 08 Auxiliary Enterprises | 6,043,411 | 6,482,248 | 5,825,919 | -3.6% | 5,988,942 | 2.8% |
| 17 Scholarships and Fellowships | 6,333,449 | 6,225,003 | 6,225,003 | -1.7% | 6,511,253 | 4.6% |
| Total Expenditures | \$ 48,033,983 | \$ 51,244,788 | \$ 53,206,462 | 10.8% | \$ 55,806,594 | 4.9% |
| Unrestricted Fund | \$ 35,988,851 | \$ 38,819,786 | \$ 38,277,541 | 6.4% | \$ 39,384,781 | 2.9% |
| Restricted Fund | 12,045,132 | 12,425,002 | 14,928,921 | 23.9% | 16,421,813 | 10.0% |
| Total Appropriations | \$ 48,033,983 | \$ 51,244,788 | \$ 53,206,462 | 10.8% | \$ 55,806,594 | 4.9% |

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.