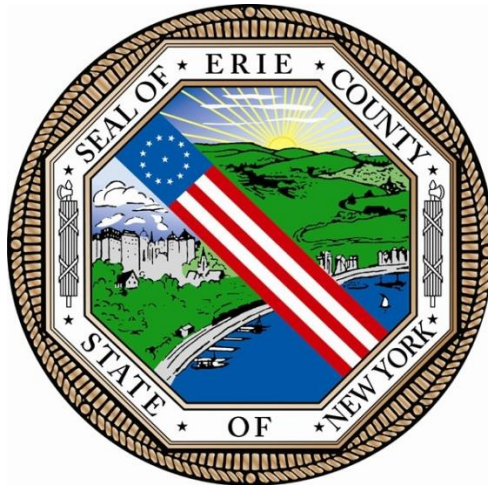


June 2020

A Report on Enrollment at SUNY Erie



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June 17, 2020

Erie County Legislature
92 Franklin Street, 4th Floor
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Dear Honorable Members:

Last year, a member of your Honorable Body requested information regarding enrollment at SUNY Erie, more commonly known as Erie Community College (ECC). Given your Honorable Body's responsibility to approve the ECC budget, we have prepared a new report regarding enrollment at ECC. The report updates some previous information, as well as examines new topics.

Our objectives were to:

- Quantify enrollment for this year and previous years.
- Compare enrollment over a time period.
- Compare enrollment at ECC to other public colleges in Western New York.
- Examine the effect of enrollment on longer term plans at ECC.

To accomplish these objectives, we reviewed enrollment and other data available from the State University of New York database.

As a result of our examination, we have determined that student enrollment at ECC has decreased during the time period 2010 - 2019.

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Background

ECC is a public institution that provides education and services in Erie County and surrounding communities in Western New York. The college was established in 1946 and has grown from a two-year technical institute to a three-campus college. The campuses are located in Amherst, Buffalo and Orchard Park. ECC offers a wide variety of associate degree and certificate programs, as well as online programs. The college's mission is to "meet the needs of a diverse student body and contribute to regional economic vitality by providing high-quality, flexible, affordable and accessible educational programs committed to student success." ECC is one of 30 community colleges that are part of the 64-campus State University of New York (SUNY) system.

Last year, at the request of a legislator, this office prepared and submitted a report to the legislature regarding enrollment at ECC. The report examined the declining enrollment at ECC, as well as the rest of New York State's community colleges. It also offered insight as to the implementation of the Excelsior Scholarship program.

This year, ECC requested an extension of time to submit a budget to the legislature for approval. The legislature will be expected to complete their work on the ECC budget in a condensed time frame, so that the college may begin its preparations for the academic year. Given that enrollment is an important factor in ECC's two largest revenue sources – tuition and state aid – we have revisited enrollment at ECC.

This report mentions, but does not go in depth about, the Excelsior Scholarship program. This year's report examines out year projections and the assumptions that were made when preparing a longer-term plan. Some of the assumptions have been shown to not have occurred as expected. This report also outlines some of the literature available regarding the potential impact of COVID-19 on college enrollment.

The data in this report was obtained from SUNY, the City University of New York (CUNY), the Community College Research Center, ECC budgets, SimpsonScarborough, and a report from the Center for an Urban Future regarding the Excelsior Scholarship program.

Enrollment at ECC

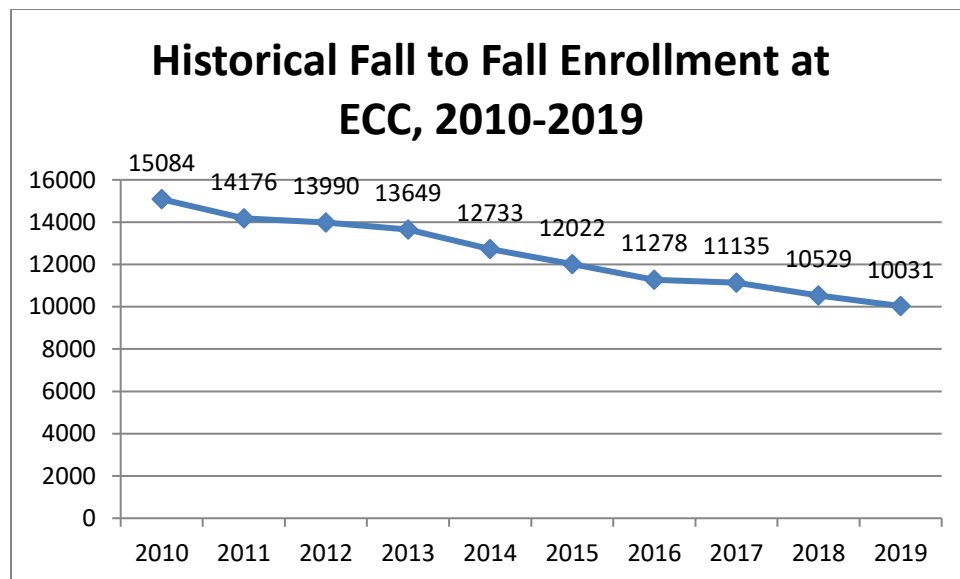
In order to compare enrollment numbers at ECC from year-to-year, the enrollment numbers for the fall semesters were selected.

Between fall semester 2010 and fall semester 2019, total enrollment at ECC decreased by 5,053 students. This represents a decrease of 33.5% over that time period.

Year	Full Time %	Part Time %	Total
2010	68%	32%	15,084
2011	66%	34%	14,176
2012	66%	34%	13,990
2013	66%	34%	13,649
2014	66%	34%	12,733
2015	66%	34%	12,022
2016	66%	34%	11,278
2017	65%	35%	11,135
2018	64%	36%	10,529
2019	62%	38%	10,031

The decline in student population includes both full-time and part-time students.

The chart below uses the data above to graphically depict the steady decline in student enrollment at ECC since 2010:



Enrollment at Other Western New York Colleges

The loss in population at community colleges is not limited to ECC. Most SUNY higher education institutions located in Western New York have also experienced declines in student population. The most significant declines have occurred at community colleges.

Institution	2010 Enrollment	2018 Enrollment	Percentage Change
Genesee Community College	7486	5285	-29.4%
Jamestown Community College	5685	4450	-21.7%
Niagara County Community College	7428	4924	-33.7%
Monroe County Community College	18995	11572	-39.1%
Alfred State College	3709	3780	1.9%
Brockport State College	8589	7924	-7.7%
Buffalo State College	12419	8658	-30.3%
SUNY Center at Buffalo (UB)	29117	31927	9.7%
Fredonia State College	5773	4446	-23.0%
Geneseo State College	5665	5378	-5.1%

Taken as a whole, the decline in student population at Western New York community colleges over the period is 33.7%.

Over this same time period, the student population at community colleges across New York State declined 22.7%. Recalculating to determine the State decline independent of Western New York community colleges, the decline of student population at non-Western New York community colleges is 19.5%. As such, the decline in student population at Western New York community colleges is significantly greater than the rest of New York State, with a decline in student population of 33.7%, compared to 19.5% for the rest of New York State.

Although not part of the SUNY system, City University of New York (CUNY) schools are also publicly funded by New York State. As such, their student enrollment numbers are included in our analysis. Over the five-year period from 2010 through 2019, enrollment at CUNY community colleges also experienced a decline in student population. During this time period, the student population at CUNY community colleges declined 0.5%.

Enrollment Augmentation Efforts

The most recent Institutional Report Card available to the public on ECC's website discusses enrollment goals for the college. Specifically, it planned for a 1.75% annual enrollment growth, beginning in 2017-18. The plan envisioned the enrollment increase would occur as the result of retention efforts and initiatives, including the establishment and support of mandatory orientation

and the implementation of a new early alert system to direct students to resources that they need to succeed.

Given a student population of 11,278 in the fall semester of 2016, 1.75% annual growth would have resulted in enrollment of 12,088 for fall semester 2019. Instead, 10,031 students were enrolled for that semester. This is a difference of 2,057 students. Instead of a 7.2% increase in enrollment over that time period, the college experienced an 11% decrease in enrollment.

It appears that the retention efforts have not yielded the anticipated results. The ECC Excels plan, which is a subsequent plan to the plan offered in the aforementioned Institutional Report Card, calls for 3% annual growth in online enrollment. However, it does not offer a specific percentage growth of overall enrollment.

Another effort initiated state-wide that appears to not have yielded desired results for ECC, or community colleges in general, is the Excelsior Scholarship Program. The program offers college tuition to students from families which earn less than \$125,000 per year. In return, students are expected to remain in New York State after graduation.

The number of Excelsior Scholarships increased from 20,458 in 2017 to 25,100 in 2018. This represents an increase of New York undergraduates receiving the scholarship from 3.2% in 2017 to 4% in 2018. Although community college students comprise 48% of the undergraduate students across New York State, community college students only received 19% of the Excelsior Scholarships in 2018. This is down from 24% the previous year. As such, it appears that the Excelsior Scholarship may be more of an incentive for students at four-year colleges than it is for students at community colleges. Data from 2019, as the income threshold increases to the full \$125,000 per family, may demonstrate different results. Regardless, enrollment at SUNY community colleges, including ECC, continue to fall.

New York State Funding for Community Colleges

New York State Education Law §6304 addresses the funding of community colleges. According to state law, New York State is responsible for funding a portion of the operating costs of community colleges. Student enrollment is a factor in the determination of aid for community colleges. In particular, it states:

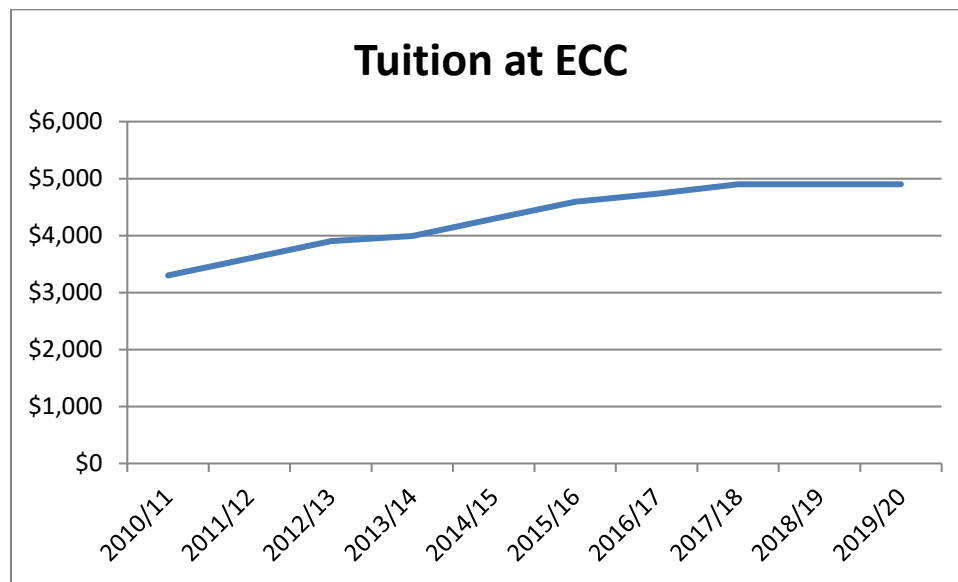
“Such operating costs shall be subject to such maximum limitations and joint regulations as shall be prescribed by both the city university trustees and the state university trustees with the approval of the director of the budget. Such limitations shall be based on maximum allowances per student for each student in attendance in the case of operating costs, or in accordance with such other factors as may be deemed appropriate.”

Because student attendance is a factor in computing state aid, declining enrollment places additional pressure on colleges seeking additional revenue. Between the 2010/11 academic year and the 2017/18 academic year, New York State aid to ECC fell from \$30,472,177 to \$30,194,066. The 2017/18 amount is less than the \$30,451,742 granted in 2016/17. Because the amount allocated per student is calculated each year, the true impact of actual enrollment decline is not easily reflected in these numbers. However, it can be safely stated that New York State aid to ECC would have been higher if the enrollment had not declined.

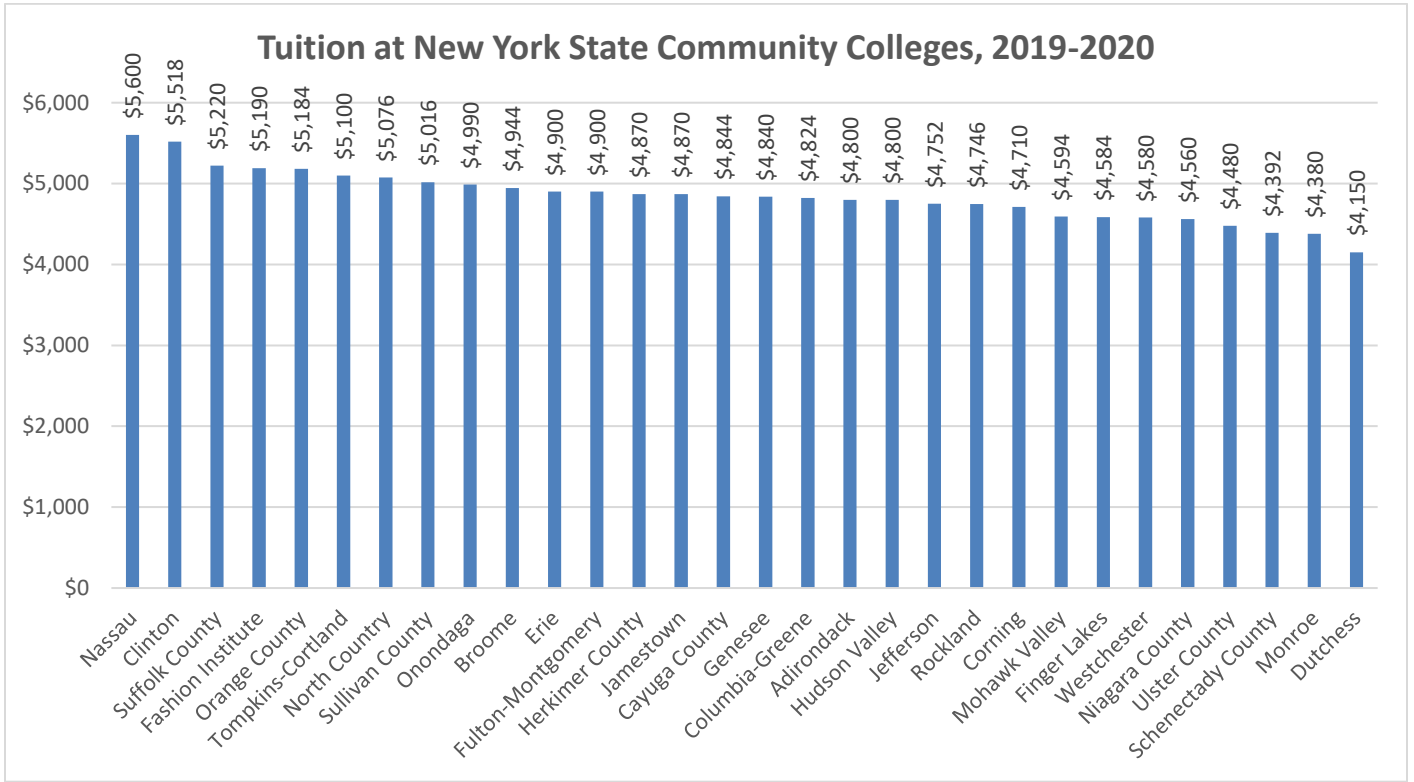
In contrast to New York State's declining aid to ECC, Erie County has increased its aid to ECC. Funding for ECC has increased from \$17,429,317 in the 2010/11 academic year to \$18,554,317 in the 2017/18 academic year. This aid has increased despite the college serving a steadily declining student population. However, it should be noted that the 2017/18 aid was less than the \$18,945,074 in 2016/17.

In order to operate with a balanced budget, ECC and other community colleges may need to implement steps to reduce costs or increase revenue, such as tuition increases. Such steps may be contrary to the goals of the community colleges.

In fact, ECC has imposed tuition increases on its students during the time period examined. Tuition has increased from \$3,300 in 2010 to \$4,900 in 2019. This represents an increase in tuition of 48.5%. However, tuition has not increased since 2017/18.



ECC's \$4,900 tuition is the highest of any Western New York community college and above New York State's average community college tuition of \$4,840. Ten community colleges have a tuition higher than ECC. This is more than last year, when only six SUNY community colleges had higher tuition rates than ECC.



Tuition increases may encourage potential or current students to seek other options to invest in their education. This report does not opine as to what degree, if any, tuition rates have caused the steadily decreasing student population at ECC.

Out Year Projections

In its 2019/20 budget, ECC provided five-year budget projections. These budget projections are based on certain assumptions. The assumptions include: flat to 1% increase in enrollment each year, with a base of 10,100 students enrolled; a 3% tuition increase in 2020/21, with 2% increases in 2021/22 and 2022/23; and, the 98% floor on state funding in 2018/19 continuing through 2022/23.

Given these assumptions, ECC projected revenue from the following sources:

Revenue Source	2020/21	2021/22	2022/23
Tuition	\$41,591,510	\$42,423,340	\$43,271,807
State Aid	\$29,884,175	\$30,134,175	\$30,384,175
County Contribution	\$19,554,317	\$19,749,860	\$19,947,359

Conditions have changed since the time that the revenue projections were prepared. Enrollment did not remain flat. The enrollment of 10,031 was less than the baseline of 10,100

by 69 students. Assuming flat enrollment for the next three years, and including the tuition increases envisioned, tuition revenue will not meet the projections.

Another assumption that has been realized as false is the 98% floor on state funding. In the New York State 2020 budget, community college base aid was established at \$2,947/full time equivalent (FTE) student. The New York State 2021 budget maintains the \$2,947/FTE funding. However, unlike the New York State 2020 budget, the New York State 2021 budget eliminates a 98% floor. Last year, if a community college saw decreasing enrollments, its community college base aid from New York State would not be below 98% of the previous year's funding. Due to the elimination of the 98% floor, community colleges with enrollment drops could realize a significant drop in aid from New York State.

Also, given the steady increase in New York State funding for the years projected, and given flat enrollment projections, it can be assumed that ECC planned on state aid increasing on a per capita basis. Because the budget was maintained at \$2,947, it appears that this is not the case. Further, it is not clear at this time if community college base aid will be subject to reduction by the New York State budget director, as part of the powers granted to the budget director to balance the budget.

As the sponsor, Erie County's contributions to ECC are not based on enrollment. However, even in years that the sponsor contribution remains flat or even declines, it may have the effect of increasing if measured based on student enrollment. It may be helpful to view the sponsor contribution in terms of contribution per enrollee. The contribution per enrollee has increased 60% since the 2010/11 academic year. However, the sponsor contribution total has only increased 6.5%.

<u>Academic Year</u>	<u>Sponsor Contribution</u>	<u>Fall Enrollment</u>	<u>Contribution/Enrollee</u>
2010/11	\$17,429,317	15,084	\$1,155
2011/12	\$17,429,317	14,176	\$1,229
2012/13	\$17,429,317	13,990	\$1,246
2013/14	\$17,429,317	13,649	\$1,277
2014/15	\$17,429,317	12,733	\$1,369
2015/16	\$20,054,317	12,022	\$1,668
2016/17	\$18,945,074	11,278	\$1,680
2017/18	\$18,554,317	11,135	\$1,666
2018/19	\$18,554,317	10,529	\$1,762
2019/20	\$18,554,317	10,031	\$1,850

Further enrollment declines, if they occur, will have a negative impact on the two largest revenue sources for ECC. Even steady enrollment numbers will result in state aid revenue that does not meet projections. This may prompt a request for an increase from the third largest revenue source, Erie County.

Another possible source of funding to address revenue shortfall is fund balance. ECC projected their fund balance to be \$15,463,004 for academic year 2018/19. They projected spending \$9,310,082 from fund balance to fund their Enterprise Resource Platform for academic years 2019/20 through 2022/23. Unless plans or projections change, this would leave ECC with a 5.5% fund balance relative to operating expenses budget in 2022/23. Such an amount would be less the 16% fund balance generally recommended by the Government Finance Officers Association. As such, caution should be exercised before using fund balance to address revenue shortfalls due to declining enrollment at ECC.

COVID-19 Impacts on College Attendance

COVID-19 has impacted behavior due to social distancing requirements to prevent the spread of the disease. Colleges across the nation shifted to online learning models in response to social distancing requirements. Colleges are currently preparing plans as to how to return to learning for the fall semester. The University at Buffalo, a destination for some ECC graduates, has announced a return to campus for the fall. Other schools are preparing for an online learning environment. Many schools have not yet announced their plans, as they await more information from local authorities.

In a SimpsonScarborough survey of students planning to enter four-year colleges in the fall, one in ten students stated that they were likely to change their plans due to COVID-19. Four percent stated that they were very likely to change their plans. Another ten percent of students stated that it was too soon to make a decision. The survey was conducted between March 26 – March 30. Notably, 40% of students stated that they felt they were not receiving enough information from their college of choice. However, they were not seeking more emails without new information.

One of the main findings was that students were seeking to attend classes in an environment such as offered by their college of choice before the COVID-19 outbreak. This finding may present an opportunity for community colleges.

A report by the Community College Research Center at Columbia University examined community college enrollment during the time known as the “Great Recession.” During that time of economic downturn, adults returned to community college to learn additional skills to make them more marketable in the job market. During that time period, community college enrollment nationally increased 11.8%. At ECC, enrollment increased 10%. Community college enrollment has declined since. Nationally, community college enrollment dropped 11.9% during the time period studied post “Great Recession,” while ECC’s enrollment fell 26.2%.

The report notes that the number of adults who return to school to improve job skills has continued to fall since its peak. The reason cited for not returning to school is the lack of time and resources. The COVID-19 economy may not have an impact on these reasons.

On the other hand, for students whose four-year college of choice may be entirely online in the fall, there may be an opportunity to earn credits from ECC at a more affordable rate. A major consideration is the transferability of credits. Further, with the University at Buffalo returning to campus, the opportunity to recruit from a large pool of local students seeking to learn in a traditional brick-and-mortar environment is diminished.

Conclusion

Enrollment at ECC, as well as community colleges across the state and country, continues to decline. Since 2010, enrollment has decreased 33.5%. During that same time, Erie County sponsor funding has increased 6.5%

While Erie County's contribution to ECC is not based on per capita enrollment, New York State's funding is. As such, flat or decreased per student funding from New York State will result in lower overall funding when paired with declining enrollment. New York State had implemented a 98% floor to provide a degree of certainty of funding to community colleges that experience declining enrollment. However, the floor was eliminated as part of this year's New York State budget. In addition, funding may be impacted by the ability of the state to decrease funding mid-year to address its own revenue shortfalls.

At this time, the effect of COVID-19 on enrollment is not yet known. As events and information change daily, so do the impacts of the events. As such, enrollment should be carefully monitored and plans should be made to address enrollment changes that deviate from projections. Flexibility should be a rule for these plans. Of course, other considerations, such as the possibility of changing per enrollee state aid, should not be ignored.