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Memorandum

B 06-03

To: Chief Fiscal Officers

From: Patrick Lenz, Assistant Vice Chancellor for Budget
Rodney Rideau, Budget Director *Patrick J. Lenz*
Rodney & Rideau

cc: Presidents, Chief Administrative Business Officers, Financial Officers, Budget Officers, Enrollment Managers, Financial Aid Directors

Date: July 28, 2006

Subject: 2005/06 Enrollment Surplus/Shortfall Allocations

Attachments:

A November 16, 2005 letter to CSU campus presidents from Executive Vice Chancellor Richard West identified budget policy procedures to be implemented in the 2006/07 fiscal year that addressed 2005/06 college-year enrollment shortfalls and excess that totaled more than plus or minus 2% of campus 2005/06 full-time equivalent student enrollment targets. The policy calls for one-time enrollment funding reductions or supplements equal to per student General Fund support the campus received for enrollment growth in the 2005/06 fiscal year.

As a system, CSU exceeded its enrollment target for 2005/06 by 2,121 FTES. Within this total, individual campuses exceeded targets by as much as +2,177 FTES and fell short of targets by as much as -889 FTES. In accordance with the 2005/06 budget policy procedures for enrollment funding, campus reported enrollment was compared with the 2% threshold established for the college year to determine budget one-time budget actions required for 2006/07. The following table shows campus college-year reported enrollments for 2005/06 and the portion of achieved that falls within the plus or minus 2% adjustment rule.

Questions concerning college year reported enrollments for 2005/06 should be directed to Marsha Hirano-Nakanishi, (562) 951-4767.



**2005/06 College Year reported Enrollments
and Campus Enrollments Over and Under 2 Percent of Funded Targets**

	CY 05-06 Annual FTES Target	CY 2005-06 FTES	CY FTES Less Target	Percent of Enrollment Under/Over Target	2% Threshold	FTES more than +2% Over Target	FTES more than -2% Under Target
Bakersfield	6,753	6,521	(232)	-3.44%	135	0	(97)
Channel Islands	1,614	2,123	509	31.54%	32	477	0
Chico	14,528	14,540	12	0.08%	291	0	0
Dominguez Hills	9,493	8,718	(775)	-8.16%	190	0	(585)
East Bay	12,109	11,220	(889)	-7.34%	242	0	(647)
Fresno	17,289	17,464	175	1.01%	346	0	0
Fullerton	25,010	27,187	2,177	8.70%	500	1,677	0
Humboldt	7,389	7,000	(389)	-5.26%	148	0	(241)
Long Beach	27,551	27,769	218	0.79%	551	0	0
Los Angeles	17,118	16,459	(659)	-3.85%	342	0	(317)
Maritime Academy	854	953	99	11.59%	17	82	0
Monterey Bay	3,624	3,504	(120)	-3.31%	72	0	(48)
Northridge	24,196	25,160	964	3.98%	484	480	0
Pomona	17,667	17,641	(26)	-0.15%	353	0	0
Sacramento	22,617	22,305	(312)	-1.38%	452	0	0
San Bernardino	13,728	13,556	(172)	-1.25%	275	0	0
San Diego	27,616	27,638	22	0.08%	552	0	0
San Francisco	22,974	23,611	637	2.77%	459	178	0
San Jose	22,196	22,508	312	1.41%	444	0	0
San Luis Obispo	16,934	17,431	497	2.93%	339	158	0
San Marcos	6,072	6,269	197	3.24%	121	76	0
Sonoma	6,904	6,728	(176)	-2.55%	138	0	(38)
Stanislaus	6,624	6,733	109	1.65%	132	0	0
System Programs	1,363	1,306	(57)	-4.18%	27	0	0
System Total	332,223	334,343	2,121			3,128	(1,973)

Based on 2005/06 college year enrollment reports and revised 2006/07 enrollment policy for full-time graduate FTES unit load and resident FTES targets implemented by the state, several campuses opted to permanently reduce their FTES enrollment base in 2006/07. This permanent reduction was incorporated into the methodology use to calculate the one-time funding adjustments required in 2006/07.

One-time funding reductions and supplements based on campuses' enrollment above or below 2% of college-year targets are based on 2005/06 Final Budget allocations for enrollment growth in 2005/06. Every campus was funded for enrollment growth in 2005/06 at the marginal cost rate of



\$7,868 per FTES. Of this amount, \$533 per FES was set-aside for financial aid. The General Fund share of the balance, \$7,335 per FTES, was determined by reducing the marginal cost funding for revenue campuses were projected to receive for enrollment growth. The amount of revenue associated with 2005/06 enrollment growth varied by campus. Coded Memorandum B 05-04 shows campus revenue associated with enrollment growth in Column 9 of Attachment D. Funded enrollment growth by campus is displayed in B 05-04 in Column 6 of Attachment C. Revenue per FTES growth in 2005/06 (*B 05-04 Attachment D, Column 9 divided by B 05-04 Attachment C, Column 6*) is displayed by campus on the following table.

Coded Memorandum B 05-04

	Budget Plan Revenue	FTES Growth	Revenue per FTES Growth
Bakersfield	\$402,100	165	\$2,437
Channel Islands	\$102,200	39	\$2,621
Chico	\$807,300	354	\$2,281
Dominguez Hills	\$709,300	232	\$3,057
East Bay	\$772,800	295	\$2,620
Fresno	\$1,028,100	422	\$2,436
Fullerton	\$1,545,100	557	\$2,774
Humboldt	\$402,100	180	\$2,234
Long Beach	\$1,754,900	655	\$2,679
Los Angeles	\$1,186,200	418	\$2,838
Maritime Academy	\$27,800	21	\$1,324
Monterey Bay	\$179,100	88	\$2,035
Northridge	\$1,604,500	590	\$2,719
Pomona	\$1,055,300	431	\$2,448
Sacramento	\$1,379,800	535	\$2,579
San Bernardino	\$908,400	335	\$2,712
San Diego	\$2,065,500	804	\$2,569
San Francisco	\$1,396,300	506	\$2,759
San Jose	\$1,522,600	541	\$2,814
San Luis Obispo	\$910,900	413	\$2,206
San Marcos	\$417,300	159	\$2,625
Sonoma	\$394,500	168	\$2,348
Stanislaus	\$331,700	162	\$2,048
System Programs	\$63,400	33	\$1,921

Subtracting \$7,335 per FTES by the revenue per FTES shown on the table above equals the General Fund per FTES used for one-time enrollment funding adjustments in 2006/07. The following table shows the adjustments for campuses that exceeded enrollment targets by more than 2 percent and for campuses that fell below funded targets by more than 2 percent. Campuses that



asked for a permanent reduction in the base enrollment for 2006/07 received credit against their one-time reduction requirement for the permanent budget loss. The funding requirement for enrollment that exceeded campuses' 2 percent threshold was debited for supplemental funding campuses received for enrollment growth in 2005/06 at the beginning of the fiscal year.

	2005/06 College-Year Enrollment FTES					Budget Adjustments			
	2005/06 Target	2006/07 Base	Enrollment			Permanent Base Reduction	+/- 2% Adjustments		
			Permanent Change	One-Time Loss	One-Time Growth		One-Time Reduction	2005/06 Advance	One-Time Increase
Bakersfield	6,753	6,667	(86)	(11)		(\$421,228)	(\$53,878)		
Channel Islands	1,614	1,614						\$1,400,000	\$848,578
Dominguez Hills	9,493	9,150	(343)	(242)		(\$1,467,354)	(\$1,035,276)		
East Bay	12,109	12,109		(647)			(\$3,050,605)		
Fullerton	25,010	25,010							\$7,648,797
Humboldt	7,389	7,240	(149)	(92)		(\$760,049)	(\$469,292)		
Los Angeles	17,118	16,610	(508)			(\$2,284,476)			
Maritime Academy	854	854						\$251,000	\$241,902
Monterey Bay	3,624	3,624		(48)			(\$254,400)		
Northridge	24,196	24,196							\$2,215,680
San Francisco	22,974	22,974							\$814,528
San Luis Obispo	16,934	16,934							\$810,382
San Marcos	6,072	6,072							\$357,960
Sonoma	6,904	6,904		(38)			(\$189,506)		
TOTAL CAMPUS	330,860	329,774	(1,086)	(1,078)	3,128	(\$4,933,107)	(\$5,052,957)	\$1,651,000	\$12,937,827

Permanent budget reductions identified on the table above for 2006/07 have been made in the 2006/07 Final Budget allocation memorandum, B 06-02. One-time budget adjustments will be made in the Final Budget allocation process. Campuses will receive a separate allocation order authorizing the one-time General Fund reductions or increases identified above. The 2005/06 funding Advance for enrollment growth above targets was provided to Channel Islands and the Maritime Academy during fiscal year 2005/06 and these advances were subtracted from one-time funding requirements for 2005/06 over-enrollment.

Questions concerning this 2005/06 enrollment funding adjustments should be directed to Rodney Rideau, CSU Budget Director, (562) 951-4559.