The Legislature included language in the 2008-09 Budget Act directing the California State University to provide a preliminary report by March 15, 2009, on whether it has met its 2008-09 academic year enrollment goal. A final report is due May 1, 2009.

We understand that the enrollment goal that is the focus of the legislative language is the full-time equivalent student (FTES) enrollment of California residents, as it is this enrollment that the state funds through the budget act. The CSU seeks to admit and serve all CSU-eligible California residents who apply to CSU campuses. At the same time the CSU seeks to maintain a high quality of instructional programs and student services as well as assure that students are able to move in a timely way to degree. These objectives require that the CSU operate within resource constraints and try to keep actual enrollment levels in reasonable alignment with funded enrollment levels. For the 2008-09 academic year, the CSU’s enrollment goal is to begin this process of realignment. The CSU’s recent enrollment growth experience provides some useful context.

The state provided funding for 2.5 percent annual enrollment growth during the three fiscal years 2005-06 through 2007-08. Nevertheless, enrollment demand during that period outpaced enrollment growth funding. While the state funded 342,893 California resident FTES in 2007-08, CSU campuses served 353,915 California resident FTES. This means that, through various short-term measures, CSU campuses served 11,022 FTES for whom no state funds were provided. This number was equivalent to enrollment growth of 3.2 percent.

The gap between students served and students funded is not sustainable. When it became apparent, with the introduction of the Governor’s 2008-09 budget proposal in January 2008, that there was little likelihood that the state would fund enrollment growth, the Chancellor instructed campuses to close Fall 2008 application deadlines no later than March 1st. This early closure was intended to help manage enrollment levels closer to funded targets. Nevertheless, some enrollment growth would inevitably occur in Fall 2008 due to the momentum of recent enrollment growth. For example, the record-high freshman class admitted during 2007-08 effectively ensured that the number of continuing students would rise in 2008-09. Moreover, other factors, such as average course loads taken by students, can mitigate against the reduction in applications resulting from a shortened application “window” for Fall 2008.

For all of these reasons, the CSU’S California resident enrollment in Fall 2008 exceeded enrollment for Fall 2007 by 4,578 Fall Term FTES. However, one indication that initial enrollment management efforts were taking hold is the fact that new student headcount for Fall 2008 was almost 5,700 students below Fall 2007, a decline of nearly five percent. As expected, given the record number of students in the prior year and the
pressures of the economy, the number of continuing and returning students (headcount) grew from Fall 2007 to Fall 2008 by almost 8,600 individuals. Moreover, CSU students enrolled for more units, causing Fall Term FTES to increase at a faster rate than headcount.

The slowing of enrollment growth is further evidenced when Spring 2008 resident headcount enrollments are compared with the currently available estimates of Spring 2009 enrollments. Our preliminary estimate is that Spring 2009 resident headcounts will be about 0.4 percent lower than the record reached in Spring 2008.

The early indications are that enrollment management steps for spring have had a significant degree of success, despite the new difficulties presented by the economy’s recent severe decline (as explained further below). Thus, our preliminary indication is that enrollment growth in resident FTES for 2008-09 will be approximately 0.5 percent. This is a significant change in the nearly four percent annual trajectory that was experienced in actual FTES growth in the two prior academic years.

This change in enrollment growth is all the more noteworthy given the fact that economic recessions create upward pressure on FTES at institutions like CSU. These continuing external forces have the power to overwhelm enrollment management actions taken by campuses. In this economic crisis, campuses have difficulty accurately projecting the number of students who will accept admission, and of those, how many will enroll. During economic recessions and high unemployment, students respond less predictably. While campuses have years of admission, acceptance, and matriculation data that have enabled them to develop formulae that project with relative accuracy the number of applicants who need to be admitted in order to meet the campus’ enrollment target, these formulae become less reliable due to the following student behavioral changes:

- Students already enrolled in college stay longer;
- Those who continue their enrollment typically enroll in more units of college-level work;
- Students who have stopped out of college return to school because of the absence of jobs in the workforce; and
- Students nearing degree completion stay to pick up additional skills (technology and foreign language).

We have reported on this during previous recessions and budgetary cutbacks. Unlike other economic recessions, however, more middle- and upper-middle class Californians have been affected than ever before, and some are making choices to commute to public colleges and universities, which is less costly than private and residential public universities. The hypothesis in our January report to the legislature that it was plausible that the CSU could end up with slightly less than a one-percent growth over 2007-08 is, in fact, what the CSU expects to see by the time the college year is over.
In November 2008 the Chancellor declared that the CSU, as a system, is 
“impacted” with regard to enrollments. This unprecedented step, intended to preserve the 
quality of CSU’s educational programs and services to students, gives a full range of 
enrollment management “tools” to all CSU campuses. (In the past individual campuses or 
individual programs at a campus have been declared impacted and therefore eligible to 
use these enrollment management tools.) Under impaction, campuses will be allowed to 
use supplemental admissions criteria such as grade point average for applicants from 
outside the campus’ local service area. In addition, several categories of admission will 
be strictly restricted, including second-bachelor degree candidates and unclassified 
postbaccalaureate applicants. We anticipate that implementation of systemwide 
impaction will enable campuses to manage enrollments as close as possible to their 
funded targets in 2009-10.