

**BUDGET BILL LANGUAGE:
CSU ENROLLMENT GROWTH**

Amend Provision 7 of Item 6610-001-0001:

Of the funds appropriated in Schedule (1), ~~\$65,478,000~~ \$64,417,000 is to fund 8,355 additional state-supported full-time equivalent (FTE) students ~~(FTEs)~~ at the California State University (CSU), based on a marginal General Fund cost of ~~\$7,837~~ \$7,710 per additional student. This funding rate is based on a methodology for determining the marginal cost of each additional state-supported student, as adopted by the Legislature for the 2006-07 budget. This methodology calculates a total marginal cost (including operation and maintenance costs and faculty costs based on the salaries of recently hired professors) and then subtracts from this cost the fee revenue the university anticipates from each additional student (after adjusting for financial aid), in order to determine the amount of General Fund support needed from the state. It is the intent of the Legislature that enrollment growth funding provided to the university in subsequent budgets be based on this specific methodology.

The Legislature expects CSU to enroll a total of 342,553 state-supported FTE students during the 2007-08 academic year. This enrollment target does not include non-resident students and students enrolled in nonstate supported summer programs. The CSU shall provide a preliminary report to the Legislature by March 15, 2008, and a final report by May 1, 2008, on whether it has met the 2007-08 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If CSU does not meet its total state-supported enrollment goal by at least 450 FTEs students, the Director of Finance shall revert to the General Fund by May 15, 2008, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

\$1,061,000 General Fund Savings