

**SUPPLEMENTAL REPORT LANGUAGE FOR  
THE UC AND CSU MARGINAL COST METHODOLOGY REVISION**

The Department of Finance (DOF) and the Legislative Analyst's Office (LAO) shall convene a working group including the University of California (UC) and the California State University (CSU) to (1) review the current process of determining the marginal cost of each additional full-time equivalent student and (2) examine possible modifications to that methodology for the 2006-07 budget.