

**California State University, Long Beach
Enrollment Increase Strategy
January 2003**

During the recession of the early 90's, California found it necessary to reduce funding to all state agencies and departments, including the CSU. A major consequence was enrollment reductions commensurate to the loss in state funding. Fortunately, student demand was also declining which would help to ease the pressures. But the budget reductions declined more than student demand and we found ourselves not being able to properly serve the students we admitted. An outcome that we have vowed not to repeat in the future.

Today, California faces a \$34.6 billion budget deficit and the Governor has proposed a substantial reduction in our general fund budget. But unlike the last recession, enrollment demand in higher education is on the rise, and the state and the system have made it clear that failure to accept and serve these additional students will result in a loss of new funding. The reciprocal is also true: if the campus drops enrollment, there will be future funding consequences.

In December 2002, the campus was asked to consider an increase in its enrollment target for 2003-04. Following a few weeks of negotiations, our 2003-04 enrollment target was set at 28,650 FTES. While this represents an increase of over 2,000 FTES in our funded enrollment target, it is only 900 FTES over our actual enrollment in the current year.

While this decision to accept an increase in our enrollment target is an apparent contradiction to our earlier course of action to begin containing enrollment, in this bad budget climate, the university is better served to have the increase in enrollment target.

There are three significant factors that influenced our negotiations of this new enrollment target: (a) the students were already enrolled or soon would be enrolled for the coming academic year, (b) the campus desperately needs the enrollment money to mitigate the permanent budget reductions being proposed for FY 2003-04, and (c) faculty workload would actually improve under the enrollment increase scenario over what it would be with a lower target.

The students were already or would soon be enrolled for 2003-04

CSULB is approaching our capacity and is also an impacted campus. Fortunately, we have an active enrollment management program. The problem is that we only have the means at present to control freshmen admissions. And, while we are doing that effectively, freshmen are only one component of enrollment. The largest component of enrollment is continuing students and our success in improving retention actually exacerbates the enrollment management problem. The second largest component is upper division transfer students whose numbers exceed freshmen. By system policy, we have no effective control over transfer students at

present. So, we would almost have the same level of students to serve, regardless of our budget strategy. The only changes in enrollment management that we made to accommodate the increased target was to add back 300 freshmen from our original plan, and a decision not to reduce summer enrollment as much as we had previously contemplated.

Need the funding to mitigate budget reductions.

In the current academic year, the campus is experiencing close to 1100 FTES over the 2002-03 enrollment target. Which means, we are serving these students without being paid for it. Obviously, it is highly desirable to have an increased enrollment target so that we can be paid for work that we are already doing. And, this 1100 FTES is worth about \$7.3 million in state support, which reduces our budget cut in the 2003-04 by 4%. Without this enrollment target, the campus would be looking at an across-the-board cut of 8% rather than 4%. Accepting the premise that we should be paid for work that we are already performing, then the only apparent contradiction in taking additional enrollment targets relates to the 900 FTES increase over this year's actual enrollment. This 900 FTES represents \$6 million in additional state funding and without this additional 900 FTES, there would be an additional cut of \$6 million to operating budgets, increasing the level from 4% to over 7%. Avoiding \$6 million in budget cuts is a very persuasive factor. But on the other hand, it is important to remember that the campus must serve these additional students without a significant increase in instructional resources. And this adds to workload.

Faculty workload would be less under the increased enrollment scenario

By design, the marginal cost formula that has been accepted by the State Department of Finance provides significantly more funds than what is required to staff the classroom. This is because it was designed to support the entire campus operations and not just instructional costs. Remembering that the 900 FTES represents \$6 million in state support and under the additional \$6 million budget cut scenario, if instruction participated in the budget cut on a prorata basis, it would mean a loss of 60 faculty positions. Likewise, under the budget cut scenario, the campus would only have about 300 fewer freshmen to serve since that was the only variable to change in the enrollment management plan. At our current student/faculty ratio, 300 students translates to 15 faculty positions of workload. The other 600 FTES is mostly summer session enrollment, which does not impact the academic year workload. The result is that under the no enrolment increase scenario, the campus would lose a net of 45 faculty positions to serve the same student population.

The conclusion was that the university would be better off with a larger rather than smaller enrollment target as a short-term strategy in this bad budget climate, with the political emphasis and accountability on student access. The decision substantially lowers the budget cut to the entire campus, it avoids the mistakes of the early 90s when students who were admitted couldn't get the classes and services they needed, and it results in a better faculty workload situation than the alternative.