

LUNCH -AND- LEARN

Enrollment and Budget

December 6, 2021

CSUDH

Agenda

- I. Operating Fund
- II. Enterprise Funds
- III. Q&A



OPERATING FUND



Operating Fund

- **The Operating Fund is used to report revenues, expenses and net assets related to state-supported instruction, related programs, and operations**
- The Operating Fund has also been referred to as the General Fund, state-side, or AADHT
- The funding source for the Operating Fund is state appropriation and student tuition and fees



Operating Fund- State Appropriation

- We tend to focus much of our budget planning attention toward the annual state allocation, since that is the revenue source in the University Budget most likely to change
- The State Appropriation makes up 57% of the 2021-22 Operating Fund Budget
- The funds were largely distributed to CSUDH based on enrollment targets from the Chancellor's Office



Operating Fund- State Appropriation

- The CSUDH Enrollment Target is 11,473 Full Time Equivalent Students (FTES), as determined by the Chancellor's Office
- A FTES = 15 units. If our students take on average 12.2 units, then each FTES = 1.23 “heads” or actual students on campus
- Using this calculation, we can assume 11,473 FTES = a headcount of 14,106
- **14,106** is the number of students that CSUDH is receiving state funding to support



Operating Fund- Tuition

- The remaining 43% of the Operating Fund Budget is funded by student tuition and fees (primarily application fees).
- Every student pays tuition, but the amount may vary based on part-time/ full-time or in-state/out-of-state status
- Currently, the permanent base budget is built on a headcount of **15,500** students
 - Any enrollment over this amount is treated as one-time revenue on the campus



Operating Fund- Over-enrollment

- We consider “over-enrollment” to be any students enrolled over the amount that is funded by the state (14,106 heads). **With tuition base budgeted at 15,500 heads, there is a funding gap of 1,394 students.**
- **This funding gap puts CSUDH in a difficult position**
 - 1) The campus should be as close to the Chancellor’s Office Target Enrollment as possible to ensure the students we serve are fully funded
 - 2) Since the campus has base budgeted tuition at 15,500, any enrollment below that amount will result in budget cuts



Operating Fund- Over-enrollment

- There are both positive and negative financial impacts to over-enrollment
 - *Positive*: Each additional student pays tuition
 - *Negative*: Each additional student does not receive state funding, so resources are spread among more students
- Because more thinly spread resources impacts student success and degree completion, over-enrollment is not ideal in the Operating Fund



Operating Fund- Over-enrollment

- Although we receive additional tuition, we are somewhat limited in how we can allocate that funding
- Once the revenue is distributed out as base budget, it is essentially a permanent allocation that cannot be undone without budget cuts
- Due to fluctuating enrollments, we don't want to make the funding gap permanent by distributing out over-enrollment tuition as base
- *One-time revenues cannot be used to hire staff and faculty*



What impacts enrollment numbers?

- Eligible applications for first time freshpeople and transfers. We don't yet know the impact COVID will have on applications.
- Retention: We can expect to lose students between fall and spring. The more students who drop, the lower the annualized headcount. (This is why focusing only on Fall enrollment, does not give you an accurate headcount)
- Student Success: Students graduating quickly has a negative impact on enrollment- a larger class leaving means fewer heads. It's a negative financial incentive on the tuition side, but those a positive financial incentive that those state-funded FTES can be reallocated to incoming students.
 - Even though this bullet used the word “negative” twice, timely degree completion is ALWAYS a positive outcome.



ENTERPRISE FUNDS



Enterprise Funds

- **Enterprise Funds (and Auxiliaries) are self-supporting entities that provide activities and services to the University and its students**
- These funds include Parking, Housing, Extended Education, Associated Student, Inc., the Foundation, and Loker Student Union
- These funds do not receive any funding from the state



Enterprise Funds

- Depending on the type of activity, enterprise funds receive revenue through either state fees or charging directly for goods and services
- Revenues have a direct correlation to enrollment: **the more students on campus the more revenue**
- As enrollments fluctuate, enterprise funds need to increase or decrease activity levels to meet demand



Q&A



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February 7, 2022

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