Date: May 1, 2002  

Code: FT 02-04

To: Vice Presidents for Administration/Finance  
Vice Presidents for Student Affairs

From: Richard K. Leffingwell  
Senior Director  
Financing and Treasury

Subject: 2002/03 Centrally Paid Cost and Income Test Transfer to Maintenance and Repair - Dormitory Revenue Fund Housing

We are transmitting the housing program centrally paid costs for fiscal year 2002/03. The following attachments contain:

- Centrally Paid Costs (Attachment A) processed by the Chancellor’s Office.
- Income Test Transfer to Maintenance and Repair (Attachment B) processed by the campus.

In 2002/03 campuses will experience a decrease in their total housing annual costs due to a decrease in State Prorata Charges. The State Prorata Charges consist of administrative expenditures related to various state agencies such as the Department of Finance, the State Controller’s Office, the State Treasurer’s Office, the Bureau of State Audits, the Legislature and others. The CSU, as other agencies, is charged a portion of these expenditures. The methodology employed to distribute these costs involves a future year projection with an adjustment for prior year actuals as it relates to the last fiscal year that such actuals are available. In this case, the 2002/03 budget year is impacted by an adjustment to actuals for fiscal year 2000/01. We have been informed by the Department of Finance that the CSU charges will be decreasing by 48 percent in 2002/03 from 2001/02 prorata charges. This decrease takes into account the differences related to the 2000/01 actual costs. In this case, an under expenditure roll-forward of $976,026 from 2000/01 accounts for approximately 56 percent of the total decrease for fiscal year 2002/03.

The information in Attachment B indicates the required transfer of operating funds (580) to the maintenance and repair fund (575) as mandated under the housing bond covenants. Each campus is responsible for making this transfer. Failure to do so would place the Trustees in technical default on all system bonds, damage the California State University credit rating, and create other negative financial implications to the Trustees overall bond programs.
Please contact Rosa Renaud or Angelique Sutanto in Financing and Treasury at (562) 951-4570, or email at renaud@calstate.edu or asutanto@calstate.edu, if you or your staff have any questions.

RKL:RHR:as

Attachments