

Date: September 16, 1998

To: Chief Financial Officers



From: John R. Richards
Budget Director
Business and Finance

Subject: 1998/99 PERS Retirement Funding Reductions

Effective July 1, 1998, costs associated with employer paid PERS retirement rates decreased by approximately 33 percent compared to 1997/98 levels. As a result of the rate reduction, the state will decrease CSU's 1998/99 General Fund appropriation by \$60,861,000. This amount has increased from the amount previously estimated and reported to you, which was initially based on the 1997/98 Final Budget submission. The reduction is based on your 1997/98 actual retirement expenditures adjusted by 5% for compensation increases.

The PERS retirement funding adjustments are not included in the 1998/99 Budget Act appropriation but rather will be implemented by an Executive Order issued by the Governor mid-fiscal year. Campus funds will be reduced for fiscal year 1998/99 by the amount indicated on the attachment. Permanent base budget reductions will be made in fiscal year 1999/2000 Governor's Budget Allocation memorandum.

Reductions are being prepared by Budget Administration in the Chancellor's Accounting Office. Campuses will be notified via E-mail when the de-allocations have been processed. Please contact Mark Lopez of the budget staff at (562) 985-2712 if you have any questions regarding your reduction amount or Budget Administration at (562) 985-2563 for questions regarding the de-allocation process.

Attachment

cc: Business Managers
Financial Managers
Accounting Officers
Budget Officers

**1998/99 CSU
Retirement Reductions**

<u>Campus</u>	<u>Campus Reductions</u>
Bakersfield	-\$1,132,000
Chico	-2,940,000
Dominguez Hills	-1,735,000
Fresno	-3,433,000
Fullerton	-3,293,000
Hayward	-2,367,000
Humboldt	-1,862,000
Long Beach	-4,393,000
Los Angeles	-3,098,000
Maritime Academy	-268,000
Monterey Bay	-749,000
Northridge	-4,168,000
Pomona	-3,341,000
Sacramento	-3,912,000
San Bernardino	-2,057,000
San Diego	-5,215,000
San Francisco	-4,271,000
San Jose	-4,156,000
San Luis Obispo	-3,743,000
San Marcos	-992,000
Sonoma	-1,528,000
Stanislaus	-1,223,000
System Offices	<u>-985,000</u>
 Total	 -\$60,861,000