

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore Drive
Long Beach, California 90802-4275
(562) 951-4610

Date: June 9, 2005 **Code:** AD 05-03

To: Vice-Presidents for Administration

From: George V. Ashkar
Senior Director, Controller
Financial Services

Subject: New Plan of Financial Adjustment (No. CSU2)

The State Controller's Office has approved the attached new Plan of Financial Adjustment (No. CSU2). This plan addresses how CSU will pay for its Faculty Early Retirement Program.

Requests for transfers under this Plan should reference, "the continuing plan of financial adjustment identified as CSU2, approved by the State Controller on May 26, 2005."

Please note that PFAs are not intended to be a means of providing working capital advances, nor overcoming cash flow problems. They are also not to be used to distort interest earnings or potential interest earnings between funds.

If you have questions, please refer to SAM Section 8452, or contact George V. Ashkar at (562) 951-4610.

GVA:tp AD 05-03

Attachment

Distribution: Mr. Alan Setser, State Controller's Office
Accounting Officers
Chancellor's Office Accounting Staff



THE CALIFORNIA STATE UNIVERSITY

BAKERSFIELD • CHANNEL ISLANDS • CHICO • DOMINGUEZ HILLS • EAST BAY • FRESNO • FULLERTON • HUMBOLDT
LONG BEACH • LOS ANGELES • MARITIME ACADEMY • MONTEREY BAY • NORTHRIDGE • POMONA • SACRAMENTO
SAN BERNARDINO • SAN DIEGO • SAN FRANCISCO • SAN JOSE • SAN LUIS OBISPO • SAN MARCOS • SONOMA • STANISLAUS

State Controller
Division of Accounting
3301 C Street, Suite 506
Sacramento, CA 95816

Attention: Sue Griffith, Chief
Bureau of Accounting

California State University
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802

APPROVED 5-26-05
STEVE WESTLY, STATE CONTROLLER

By Sue Griffith
CHIEF, DIVISION OF ACCOUNTING & REPORTING

PLAN OF FINANCIAL ADJUSTMENT (No. CSU 2)

We request that you approve the following Plan of Financial Adjustment (PFA) under Government Code Sections 11251 and 16365 to begin immediately and to continue until June 2008, unless amended or rescinded.

This Plan addresses how CSU will pay for a Faculty Early Retirement Program, discussed below.

Discussion of Early Retirement Program:

In May of 2004, Governor Schwarzenegger issued Executive Order S-8-04, which authorized the addition of two years of service credit to CSU faculty who are members of the Public Employees' Retirement System. The Governor determined that it was in the best interests of the State to encourage the retirement of CSU employees and that sufficient economies could be realized to offset the cost of the retirement benefits.

The cost of the retirement benefits will be \$30,552,469.52 and will be paid to CalPERS over a four year period. The first year's payment will be \$25,286,694.85; see Attachment A for further details of the costs and payment terms.

Each year, CSU will make the required payment to CalPERS using a No-Warrant Claim Schedule. The Claim Schedule will be paid out of CSU's Headquarters Agency 6620. The campuses will reimburse the Headquarters agency and be charged their allocated share of the retirement costs. The campuses and their agency codes are listed on Attachment B.

1. As used herein, the following terms have the meanings set forth below:

- a. "Agency" means the California State University System.
- b. "Primary Appropriation" means the main Budget Act appropriation for the support of the University (e.g., Item 6610-001-0001).
- c. "Special Appropriation" means any appropriation other than the main support appropriation in the Budget Act or an appropriation from other legislation as listed on Attachment C.

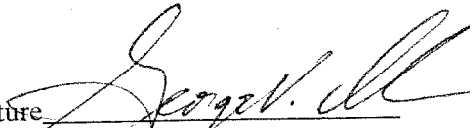
- d. "Covered Expenditures" means the expenditure incurred by the department properly chargeable to the Primary Appropriation or Special Appropriations.
2. All covered expenditures may be paid, in the first instance, from the Primary Appropriation.
 3. On the basis of data set forth in the records maintained by the Agency and in accordance with the plan of cost allocation employed by it, the Agency will determine and record the amounts expended from the Primary Appropriation that are properly chargeable to the Primary Appropriation or Special Appropriations.
 4. Once a year, the department will file a request with the State Controller to transfer from the Primary Appropriation as established under "1," above, an amount which equals expenditures determined under "3," above which are chargeable to the Special Appropriations.
 5. At any time after the end of a period covered by previous requests for transfer of funds, the Agency may file with the State Controller requests for transfer to make final adjustments after the close of such period.
 6. Requests for transfer under this plan will be accompanied by such supporting detail as may be normally required by the State Controller.

Requests for transfers under this plan will be addressed to the State Controller's Office, Division of Accounting, 3301 C Street, Suite 506, Sacramento, CA 95816, and be certified in the following language:

I hereby certify under penalty of perjury that I am duly appointed, qualified and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in accordance with all applicable provisions or restrictions in the Budget Act or other statute pertaining to the particular appropriation.

Approved by State Controller

By Jan Suffer
Title Bureau Chief
Date 5-26-05
Telephone 323-2199

Signature 
Title Senior Director, Controller
Telephone (562) 951-4671

2004 Early Retirement Program for Faculty / Annual CalPERS Installments Due

	Total Princial	Year 1 Installment / Lump Sum (June 2005)	Year 2 Installment (June 2006)	Year 3 Installment (June 2007)	Year 4 Installment (June 2008)	Total of 4 Installments
Bakersfield	\$591,230.68	\$591,230.68	0.00	0.00	0.00	\$591,230.68
Channel Islands	59,887.80	59,887.80	0.00	0.00	0.00	59,887.80
Chico	1,171,392.10	1,171,392.10	0.00	0.00	0.00	1,171,392.10
Dominguez Hills	996,361.44	279,977.57	279,977.57	279,977.57	279,977.57	1,119,910.26
East Bay	1,516,865.47	426,239.20	426,239.20	426,239.20	426,239.20	1,704,956.78
Fresno	1,620,966.15	1,620,966.15	0.00	0.00	0.00	1,620,966.15
Fullerton	1,058,244.96	1,058,244.96	0.00	0.00	0.00	1,058,244.96
Humboldt	688,452.57	193,455.17	193,455.17	193,455.17	193,455.17	773,820.69
Long Beach	2,127,548.57	2,127,548.57	0.00	0.00	0.00	2,127,548.57
Los Angeles	1,170,576.88	328,932.10	328,932.10	328,932.10	328,932.10	1,315,728.41
Maritime Academy	160,572.62	160,572.62	0.00	0.00	0.00	160,572.62
Monterey Bay	111,923.23	31,450.43	31,450.43	31,450.43	31,450.43	125,801.71
Northridge	1,511,006.86	1,511,006.86	0.00	0.00	0.00	1,511,006.86
Pomona	2,060,658.35	2,060,658.35	0.00	0.00	0.00	2,060,658.35
Sacramento	1,676,025.89	1,676,025.89	0.00	0.00	0.00	1,676,025.89
San Bernardino	904,550.12	904,550.12	0.00	0.00	0.00	904,550.12
San Diego	3,367,967.08	3,367,967.08	0.00	0.00	0.00	3,367,967.08
San Francisco	2,118,910.44	2,118,910.44	0.00	0.00	0.00	2,118,910.44
San Jose	2,735,025.55	2,735,025.55	0.00	0.00	0.00	2,735,025.55
San Luis Obispo	1,867,795.49	1,867,795.49	0.00	0.00	0.00	1,867,795.49
San Marcos	499,653.95	499,653.95	0.00	0.00	0.00	499,653.95
Sonoma	872,185.27	245,084.06	245,084.06	245,084.06	245,084.06	980,336.24
Stanislaus	890,105.70	250,119.70	250,119.70	250,119.70	250,119.70	1,000,478.80
Totals	\$29,777,907.17	\$25,286,694.85	\$1,755,258.22	\$1,755,258.22	\$1,755,258.22	\$30,552,469.52

The California State University (CSU)

Entities

as of May 5, 2005

<u>CSU Entity</u>	<u>State Agency Code</u>
CSU, Bakersfield	6650
CSU, Channel Islands	6850
CSU, Chico	6680
CSU, Dominguez Hills	6690
CSU, East Bay	6720
CSU, Fresno	6700
CSU, Fullerton	6710
Humboldt State University	6730
CSU, Long Beach	6740
CSU, Los Angeles	6750
California Maritime Academy	6752
CSU, Monterey Bay	6756
CSU, Northridge	6760
California State Polytechnic University, Pomona	6770
CSU, Sacramento	6780
CSU, San Bernardino	6660
San Diego State University	6790
San Francisco State University	6800
San Jose State University	6810
California Polytechnic State University, San Luis Obispo	6820
CSU, San Marcos	6840
Sonoma State University	6830
CSU, Stanislaus	6670
CSU, Systemwide Program	6620

The California State University (CSU)

Funds

as of May 5, 2005

0001	General Fund - Inclusive of all items
0036	Special Account for Capital Outlay
0189	Energy and Resource Fund - Energy Account
0377	Higher Education Earthquake Fund
0498	Higher Education Fees and Income, CSU
0505	Affordable Student Housing Revolving Fund
0525	High Technology Education Revenue Bond Fund
0573	State University and College Continuing Education Revenue Fund
0574	Higher Education Capital Outlay Bond Fund - 1998
0575	State College Dormitory Building Maintenance and Reserve Fund
0576	Dormitory Construction Fund, California State University
0578	California State University and Colleges Dormitory Interest and Redemption Fund
0580	California State University and Colleges Dormitory Revenue Fund
0581	State University and Colleges Facilities Revenue Fund
0583	State University and Colleges Parking Revenue Fund
0658	Higher Education Capital Outlay Bond Fund - 1996
0660	Public Building Construction Fund
0705	1992 Higher Education Capital Outlay Bond Fund
0782	Higher Education Capital Outlay Bond Fund
0785	Higher Education Capital Outlay Bond Fund - 1988
0791	Higher Education Capital Outlay Bond Fund - 1990
0839	California State University Lottery Education Fund
0890	Federal Trust Fund
0942	Special Deposit Fund
0947	California State University and Colleges Special Projects Fund
0948	California State University and Colleges Trust Fund
6028	Higher Education Capital Outlay Bond Fund of 2002
6041	Higher Education Capital Outlay Bond Fund of 2004