Date: May 24, 2001

Code: FT 01-07

To: Vice Presidents for Administration
   Vice Presidents for Student Affairs

From: Richard K. Leffingwell
      Senior Director
      Financing and Treasury

Subject: Dormitory Revenue Fund Housing – 2000/01 State Prorata Charges

This memo is to serve as a supplement to coded memo FT 01-04, Dormitory Revenue Fund Housing – 2001/02 Centrally Paid Cost and Income Test Transfer to Maintenance and Repair, in order to delineate for you the factors that impact the State Prorata Charges affecting the housing program. 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 state 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 2001/02 budget year is impacted by an adjustment to actuals for fiscal year 1999/00. We have been informed by the Department of Finance that the CSU charges will be increasing by 43 percent in 2001/02 from 2000/01 prorata charges. This increase takes into account the differences related to the 1999/00 actual costs. In this case, an over expenditure roll-forward of $551,812 from 1999/00 accounts for approximately 50 percent of the total increase for fiscal year 2001/02.

Please be assured that as in the past, we will continue to voice our concerns to the Department of Finance related to the increases affecting our programs. Our goal continues to be to minimize expenditures for both the housing program and other CSU self-supporting programs.

Please feel free to contact me or my staff, Rosa H. Renaud, at (562) 951-4570, if you need additional information.

RKL: rhr

Distribution: Business Managers
             Housing Officers
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