

TRUST FUNDS

In addition to the State allocation and student fee sources, several other programs provide sources of revenue “entrusted” to the University for specific purposes. They include the Lottery Fund, Continuing Education Revenue Fund (CERF), Health Fees Fund, and Parking Revenue Funds. These programs generate revenue by assessing special fees to those receiving the program benefits. They are classified as enterprise funds, even though not supported explicitly by State appropriations, and as such are subject to State regulation. They are controlled by financial and program policies of the Board of Trustees. Additionally, the University also has various local Trust Funds that provide various other services to the University. The operating budgets for these self-supporting programs come from these projected revenues.

- **Lottery Fund** - Lottery Funds are generated from the sale of California State Lottery tickets, a portion of which is allocated to CSU campuses. Government Code Section 8880.5 states: "It is the intent...that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose." Therefore, capital outlay, research, and noninstructional activities are specifically prohibited by the Lottery Act. To summarize, the most important criteria governing use of lottery revenue are as follows: (a) must supplement, not supplant, state funding of instruction, (b) must be widely acknowledged as a valuable enhancement of the instructional program, (c) Must be widely acknowledged as consistent with the provisions of the California State Lottery Act of 1984, and (d) Must not make long-term funding commitments. Detail guidelines for use of these funds may be viewed at: http://www.calstate.edu/budget/Lottery_Info
- **Continuing Education Revenue Fund (CERF)** - Originally grounded in service to teachers, Extended and Continuing Education operations have grown to include baccalaureate and graduate degree programs, certificates, and many forms of specialized education and training for business, industry, and government. A variety of instructional technologies, including television and Web-based learning, carry CSU courses to local, regional, and national audiences. Classes and programs are delivered both on and off the campus.

Extended and Continuing Education programming is authorized in Section 89704 of the Education Code. CERF is financed by student tuition and other fees. In accordance with Education Code Sections 89704 and 89721(i), revenue collected from Extended Education and Special Session fees may be deposited either in the State University Continuing Education Revenue Fund (CERF) in the state treasury or in a local trust account. While the character and composition of campus Extended and Continuing Education programs vary considerably, most units maintain the following common instructional elements: (a) Special Sessions, (b) Open University/Concurrent Enrollment, (c) Extension Operations, and (d) Non-Credit.

- **Health Fees Fund** – This fund is the repository for the mandatory Student Health Fee and provides resources for the Student Health Center as governed by CSU Executive Order 943.
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- ***Parking Revenue Funds*** - The Parking Program provides campus parking facilities as authorized under the provisions of Section 89701 of the Education Code. The program itself is self-supporting and derives most of its revenues from parking fees paid by students, faculty, staff, and visitors. Additional income is available from interest on retained earnings. Consistent with CSU objectives for increased accountability at the campus levels, management of all operations of the parking program is decentralized to the campus level.

The parking fee revenue is deposited by campus to a campus-specific parking fund, and campuses have the authority to expend those funds directly. Campus spending of the parking fee revenue is restricted to the acquisition, construction, and maintenance of campus parking facilities. Projected revenue will be sufficient to cover operating expenditures as well as transfers for debt service payments of bond principal and interest. To facilitate the trustees' policy of providing adequate parking throughout the system at the lowest possible fee, every effort is made to minimize operating costs.

The budget incorporates reimbursements to the General Fund for supervising and dispatching services provided by the campuses. Expenditures relating to utilities, communications, and support services provided by the General Fund are reflected as direct or indirect costs, as appropriate.