



# SSU Debt

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SSU Academic Senate

2/20/14

# CSU Debt Program

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- ❑ E0 994 - Financing and Debt Management Policy
- ❑ Systemwide Revenue Bonds (SRB)
  - ❑ CSU systemwide program adopted 2002 by BOT
    - ❑ Bond rating upgraded in 2013 to high grade
  - ❑ SSU Average Interest Rate of approx. 4%
  - ❑ 30 year debt issuance
  - ❑ Principal + Interest
  - ❑ Self Support programs pledge revenues
    - ❑ Housing, Parking, Student Union, Health Center, Ex Ed
  - ❑ Auxiliary Corporations may also utilize

# SSU SRB Debt Program

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- SRB funded programs carrying debt at SSU:

	<u>Debt Outstanding</u>
□ Housing	\$178.6M
□ Student Union/Rec Center	\$ 12.5M
□ Parking	<u>\$ 7.0M</u>
	\$198.1M

Annual SRB Debt Service = \$11.6M (12/13)

# SSU SRB Debt Program

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## Release of annual debt obligations:

### Years from now:

- |                                   |                                  |
|-----------------------------------|----------------------------------|
| <input type="checkbox"/> 10 years | <\$ 0.5M>                        |
| <input type="checkbox"/> 20 years | <\$ 2.9M>                        |
| <input type="checkbox"/> 25 years | <\$ 6.4M>                        |
| <input type="checkbox"/> 30 years | All current outstanding SRB debt |

# Debt Service Coverage Ratio

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- DSCR

- Net Income / Annual Debt Service Payments

- Per EO 994

- Minimum Campus DSCR = 1.35

# Debt Service Coverage Ratio

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2012-2013

Annual SRB Debt Service \$ 11.6M

Net Income Before Debt Service \$ 18.6M

**DSCR      \$18.6M / \$11.0M = 1.60**

# Campus Reserve Policies

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- ❑ EO 994 requires development and review of reserves for funds responsible for SRB debt payments
- ❑ Reserves must address:
  - ❑ maintenance and repair
  - ❑ working capital
  - ❑ capital development
  - ❑ catastrophic events
- ❑ Campus reserves are reviewed annually

# Reserve Balances

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□ GAAP Unrestricted Net Asset  
balances, 6/30/13:

\$18,637,040 Housing

\$ 6,023,910 Student Union

\$ 1,880,340 Parking

\$26,541,290